

APPENDICES

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(IN SEVEN VOLUMES)

[volume VI]

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Foreword

The Commission on the Organization of the Government for the Conduct of Foreign Policy has benefited greatly from the studies and analytic papers submitted to it by scholars and experts in various fields. Many of these contributions are published in this and companion volumes as appendices to the Commission Report. They are made available to the public in the hope they may stimulate further discussion and analysis of these difficult issues of government organization to meet new needs. The views expressed, however, are the authors' own; they should not be construed to reflect the views of the Commission or any agency of the government, either Executive or Congressional. The views of the Commission itself are contained solely in its own Report.

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**Appendix O:
Making Organizational Change Effective:
Case Studies Of Attempted Reforms in
Foreign Affairs**

BY THE NATIONAL ACADEMY OF PUBLIC ADMINISTRATION

1915

Introduction

Appendix O contains a major research study carried out under the auspices of the National Academy for Public Administration. This study seeks to determine, through examination of nine case studies of attempts at organizational change in the government, how efforts for change can be made to serve their intended purposes.

A number of factors important for success are identified, through examination of such efforts to effect changes as the work of the Wriston and Herter Committees dealing with Foreign Service personnel problems, the transition from the International Cooperation Administration to the Agency for International Development, the proposed foreign assistance reforms of 1969-70, the evolution of the Council on International Economic Policy, and the creation of the revised National Security Council System in 1969. These factors include the source of authority for the change effort, the clarity and pertinence of the objectives of the change, the strength and competence of the leaders of the change effort, the involvement of those likely to be affected by the change, whether the scope of the change is realistic, how the change appeals to its "constituencies" and whether the timing is optimal. While there are no certain recipes for success in organizational change, the higher a proposal scores on these factors, the greater the probability of success. The study concludes, however, that most important of all may be an improved capability for change within the government, and a realization that change is not only inevitable but necessary.

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Foreword

Under a contract between the Commission on the Organization of the Government for the Conduct of Foreign Policy and the National Academy of Public Administration Foundation, the Academy conducted a study of the actual effects of organization reform in foreign affairs. The consequences of attempts to restructure complex organizations are numerous and difficult to anticipate fully. Neither the Commission nor the Academy expected that the results of the study would provide answers to this matter by describing laws of organization change which could be mechanically applied. But both shared the view that, before proposing changes in the complex organizational setting responsible for the conduct of foreign affairs, the task of the Commission would benefit from as clear an understanding as possible of the actual effects of such changes and of the factors which accounted for those effects, anticipated and otherwise.

Nine case analyses were made of recent changes in the organization of the United States Government for the conduct of foreign policy: two involve foreign affairs personnel; five concern management and coordination, and two relate to foreign aid. The cases cover instances of high and low success in terms of attainment of the objectives of the reform, of relatively simple and relatively complex change, of small and large scale modifications, and of internal and external stimulation for change.

In each case analysis, the general context is described, including the objectives stated and implied, the major actors involved, the sequence of decisions and events, the dominant considerations which came into play, the actions taken, and the outcome. The central focus of each case, however, is an intensive examination of the following questions:

1. What effects were the proposed changes intended to have?
2. What effects, intended and otherwise, were actually experienced?
3. What factors appear to have been responsible for the actual effects of the changes?

The purpose of the study is to provide, to the extent possible in such a limited sample of cases, overall generalizations, as set forth in Chapter II,

which address the following issues of particular relevance to the work of the Commission:

1. To what degree are differing kinds of change likely to be implemented?
2. To what degree is it possible to predict the effects of various kinds of changes?
3. What issues should be addressed assessing the value of various types of potential recommendations?
4. In what form and at what level of detail should recommendations be cast in order to enhance the chances of their having the intended effects?

The report is divided into two parts. Part One consists of a chapter on the changed environment, from 1945 to 1975, within which U.S. foreign affairs agencies function and the impact of the changes upon those agencies, and of an overview chapter based upon the findings and the lessons to be learned from the case analyses. The overview chapter generalizes, to the extent possible, by abstracting from the research a number of critical factors (source of power or authority, nature of change agent, stating of objectives, inherent value, leaders and staff, involvement of those to be affected, scope, constituencies, and methods; and timing and linkages) in any effort to change organization. Part Two consists of the nine case studies, which are based upon a thorough review of relevant documents and extensive interviews with persons who had been intimately involved in the particular case effort.

The study was conducted by a panel composed of Richard W. Barrett, management consultant in New York City and publisher of the American Bicentennial Monthly; Roy W. Crawley, Executive Director, National Academy of Public Administration; I.M. Destler, Research Associate, Foreign Policy Studies, The Brookings Institution; James W. Fesler, Alfred Cowles Professor of Government, Yale University; Edmund A. Gullion, Dean, Fletcher School of Law and Diplomacy, Tufts University; John E. Harr, Associate, John D. Rockefeller 3rd, New York City, who wrote Part One of the report; Frederick C. Mosher, Doherty Professor of Government and Foreign Affairs, University of Vir-

ginia; and Harold Seidman, Professor of Political Science, University of Connecticut.

Authors of the individual cases include Leland Barrows, former U.S. Ambassador to Cameroun and Togo and most recently Director of Aid and Commercial Studies of the Center for Strategic Studies, Georgetown University; Chester A. Crocker, Director, Master of Science in Foreign Service Program, Georgetown University; Manlio DeAngelis, former official of the Agency for International Development, currently consultant to the American Society for Public Administration; Dominic Del Guidice, formerly Director of Urban Studies for the National Academy of Public Administration, presently consultant to the General Government Division of the U.S. General Accounting Office; Michael M. Harmon, Associate Professor of Public Administration, The George Washington University; Erasmus H. Kloman, Senior Research Associate of the National Academy of Public Administration; William T. McDonald, former federal personnel administrator, now a consultant in personnel management and training who has served on several Academy panels; and Mel-

bourne L. Spector, former official in the Department of State and the foreign aid program and currently a management consultant. Brief biographies on the panel members and case consultants are provided in Annex B.

Two panel meetings were held. The first was devoted to a review of the proposed approach to the study, including a common frame of inquiry, and the methodology and procedure to be followed in each case. The first drafts of the case analyses then were prepared and circulated to the panel and the other case consultants for review and comment. The cases were revised, as appropriate, and a second panel meeting was held; it was concerned primarily with the development of conclusions and generalizations for Part I, Chapter 2 of the report.

On behalf of the Academy, I express appreciation to the panel members and the case consultants for their contribution to this important study. I sincerely trust that it facilitates the significant work of the Commission.

Roy W. Crawley
Executive Director

Part One: Overview

Organizational Change in U.S. Foreign Affairs, 1945-1975

by John E. Harr

A CRUCIAL TIME OF TRANSITION

The familiar saying that the only constant in life is change appears to be nowhere more true than in the organization and administration of U. S. foreign affairs since World War II. In the past 30 years there have occurred a great many organizational change efforts, coming in all sizes, shapes, and descriptions. There probably have been more significant change efforts than there have been crises in foreign affairs. Estimates vary from approximately 80 to more than 200, depending upon what one accepts as "significant".

With all of this activity going on for 30 years, it would not seem unreasonable to hope that we have come close to achieving whatever it is we are after. Even if change is constant, one could at least expect that the main structural outlines and key issues would have been settled by now, or very nearly so.

Alas, this does not appear to be the case. For one thing, so long as the United States chooses to initiate or to respond (in contradistinction to its pre-war isolationist position) to changes in the objective conditions of world affairs, it follows that there will be changes in the ways that it organizes and administers its participation. But more important, evidence is mounting that we have now entered a crucial time of transition in the conditions of world affairs that may be comparable, in sweep and power, only to the radical transformations brought about by World War II itself.

There is, for example, a much more sober view of the power of U. S. influence abroad in the wake of the Vietnam experience and in awareness of nuclear proliferation. There is a growing salience of moral issues both at home and abroad at the same time that terrorism is being internationalized. As a difficult moral issue, for example, policymakers will have to seriously consider *triage*¹ as millions face

¹Allocation of treatment to disaster victims by priorities to maximize the number of survivors.

starvation. Instead of narrow national interests, we increasingly are concerned with worldwide supply and distribution of such critical commodities as oil and food. The cybernetic explosion continues as computers, communications satellites, and other technological advances work basic changes in the ways that human beings accomplish tasks. There are important political and economic shifts and the growing dominance of world macro-issues such as energy, food, population, inflation, development, resources, and pollution.

Consider how the United Nations has attempted to move from nearly exclusive concentration on the reactive mode of conflict resolution to an active mode in providing world forums for the critical macro-issues (e.g., World Population Year in 1974). At the same time, the United Nations is reflecting shifts in political and economic power in a manner disillusioning to many Americans.

A LEARNING EXPERIENCE

The radical transformations wrought by World War II ushered in a 30-year period of innovation and change in the U. S. foreign affairs establishment. The extraordinary forces of change in the world today may very well presage another such period. How can we begin to prepare for that likelihood? One contribution is to treat the past 30 years as a learning experience, to profit from it as much as possible in preparing for the future. Although this cannot supply neat solutions, it can provide clues. It can provide a general perspective about the change process in foreign affairs administration, insights into what works and what does not, knowledge about unresolved issues, and identification of the factors which appear to augur well for success in mounting efforts for change.

In pursuing such objectives, it should be clear that what is involved is drawing upon experience,

not the establishing of a reliably predictive theory of organizational change. Such a theory does not exist for organizational change in general, much less in the particularized atmosphere of U. S. foreign affairs where such unique characteristics obtain as: the relative lack of formal limitations on Presidential initiative and power, complex organizational and personnel arrangements, the salience of political factors, relative lack of control over the external environment, a combination of high visibility (public, press, and Congressional attention) and low visibility (secrecy, covert action), overlap of domestic and international concerns, frequent ambiguity in measurements of success, and many others.

Not surprisingly, the literature in the field reflects these perplexing factors more than it does any rigorous comparative or scientific method of analysis. Nevertheless, there is much to be learned of an intuitive and impressionistic nature from many sources—books, memoirs, case studies, monographs, transcripts of Congressional hearings, reports of study commissions, and the experiences of officials and scholars who have lived through or observed many of the change efforts.

In particular, this overview draws on the experience of a panel formed by the National Academy of Public Administration in 1974 and on nine new case studies written under the supervision of that panel. These cases form Chapters III through XI of this study. Two of the cases deal with major personnel reform efforts (the Wriston Committee and the Herter Committee) and three with change in the development and economic fields (the transition from ICA to AID, the Peterson Task Force, and the formation of CIEP). The remaining four treat more broadly of themes of management and coordination (the role of the U. S. ambassador, the National Security Council under Henry Kissinger, recent efforts to improve policy planning in the Department of State, and the attempt to employ organizational development methods within State in the mid-1960's).

Obviously, these nine cases do not present a complete picture of change efforts in foreign affairs, nor could any nine cases. They represent a sampling of variety rather than uniformity, variety not only in subject matter but in time periods and lengths of time covered, in goals and methods of change, and in scope and levels of importance. Yet it is from such a sampling and from the accumulated wisdom of experienced observers that one can hope to distill insights and gain perspective.

In pursuit of that end, this chapter presents an overview of organizational change in U. S. foreign affairs during the past 30 years. The following chapter attempts to draw lessons from that experience

by analyzing the critical factors of change in relationship to the case studies.

THE MAIN CURRENTS OF CHANGE

It is erroneous to think of the U. S. foreign affairs establishment before World War II as a totally frozen and unchanging landscape. It only seems so in comparison to the frenetic postwar period. The difference is suggested by comparing the somnambulance of a rural town on Sunday afternoon to rush hour traffic in New York City.

There was, for example, the Rogers Act of 1924, which provided a legislative base for an "elite corps" of professional diplomats modeled on the European services. The result was a small "career service" of Foreign Service Officers (the FSO Corps) who were higher in status and quite apart from the broader domestic Civil Service. There was also the Reorganization of 1939, which blended the Foreign Agricultural Service and the Foreign Commerce Service into the State Department's Foreign Service. Both of these changes were important precursors of the postwar period, but they were as nothing compared to the onslaught of change that began in 1944 and 1945.

Although something of a backwater during the actual war years, the Department of State was the scene of active planning for the peace and prosperity that was to be brought about in the postwar years by concert of the five great powers (the United States, the U.S.S.R., Great Britain, France, and China), largely through the instrumentality of the United Nations. One result was creation of the Bureau of International Organization Affairs, which ever since has tried to cope with U. S. involvement in multilateral diplomacy on a global and regional scale that had never before been imagined. Scores of functions from postal services to pediatrics are represented in a number of ways, including some 400-odd international conferences every year.

Another current of change was inaugurated with the decision to handle the wartime specialized agencies by transferring many of their functions (and people) to the State Department. The Office of the Coordinator of Inter-American Affairs and the Office of War Information were integrated into State, as were parts of the Office of Strategic Services and the Foreign Economic Administration.

The wartime boost in American food production set the stage for another important area of change as surpluses were used first for humanitarian purposes in the immediate postwar years (through United Nations Relief and Rehabilitation Administration, for example) and then as an instrument of

foreign policy with the passing of P. L. 480 ("Food for Peace") in 1954.

In 1946, the FSOs thought they had put the final seal on their career service by recodifying it in the Foreign Service Act. Actually, all they had succeeded in doing was firing the opening gun in a particularly active change area marked by a mind-boggling succession of reform efforts and study commissions, of which the Wriston and Herter Committees were only the two most prominent.

Still another complex era of postwar innovation and change—international fiscal, monetary, and trade policies—was ushered in by the Bretton Woods and Dumbarton Oaks Conferences of 1944.

In 1947, the all-too-brief period of postwar optimism was rudely ended by the emergence of the Cold War. The result was a remarkable flurry of organizational innovation and change in U. S. foreign affairs. Created were the Marshall Plan, the National Security Council, the Central Intelligence Agency, and the unified Department of Defense. A military presence in foreign affairs far beyond the conventional use of military attaches began to develop, as well as the grey and black worlds of covert political action and espionage.

In 1948, the Smith-Mundt Act tripled the size of the overseas information program which later (in 1953) was to become the U. S. Information Agency. In 1949, Point IV of President Truman's inaugural address extended the Marshall Plan idea of assistance for postwar reconstruction to technical assistance in the underdeveloped countries as the old colonial empires faded away. This was the beginning of the alphabet-soup series of agencies, sometimes within the Department of State and sometimes outside of it, which ever since have tried to manage U. S. foreign aid programs. In the same year, the Mutual Defense Assistance Act authorized military aid; NATO was created, and the Hoover Commission, as part of its mandate, undertook the first major inquiry into the nature of U. S. organization for foreign affairs.

In 1950, still another instrument of U. S. postwar foreign policy came into being—participation in limited warfare—by entry into the Korean conflict.

Although there were to be later innovations (e.g., the Peace Corps, the Arms Control and Disarmament Agency, and others), the remarkable activity of the 1944–50 period brought into being a broad range of instruments of foreign policy and the agencies and interagency mechanisms set up to conduct them. What had happened was a decisive policy shift from isolationism to activism and a typically American series of pragmatic responses to try to facilitate that activism. The result was a patchwork foreign affairs establishment that defied logical explanation and comprehended such functions as: conventional diplomacy, international organiza-

tion diplomacy, alliance diplomacy, international economic policy, technical assistance, food assistance, military assistance, loans and grants, overseas information and cultural programs, political-military activities, intelligence, espionage, limited warfare, and the extension of interests and functions of domestic agencies.

In addition to seemingly incessant reorganizations, reform efforts, and tinkering of various sorts in virtually all of these areas, the situation raised difficult questions of personnel needs, training, and, above all, the overarching problem of coordinating and managing the entire enterprise.

CONDITIONS AND MOTIVATIONS

Before considering the central problem of coordination, it will be useful to discuss some of the major conditions and motivations which have influenced the change process over the past 30 years.

CHANGING LEADERSHIP AND PERSONAL STYLES

It is no accident that change efforts (after 1950) tended to be concentrated at the beginning of Presidential administrations, with this phenomenon especially pronounced in the Kennedy administration. Operative are such factors as campaign promises, a "honeymoon" period of public support and more-than-normal receptivity by the Congress, many new political appointments to key posts in the agencies, the presence of eager change agents in the White House, awareness by outside reformers that the time might be ripe to press their views, and a desire on the part of the new President and his men to reshape the bureaucracy to suit their personal styles. Conversely, there occurs in every administration that psychological moment when stagnation begins, a "lame-duck" syndrome develops, and everybody begins to feel that nothing can be done until the next election.

The only certainty in each new administration is that change efforts will occur; the major uncertainty is how valuable and lasting they will be. This obviously depends on a host of factors—the quality of the new man, the quality of his advisors and personnel choices, how well the matter was thought through before assuming office, whether the change to be made is serious or cosmetic, how well the bureaucracy is understood and utilized, the priority assigned to the change effort, and so on. Often it takes a long time for men, heady with the wine of new-found power, to learn that it requires a lot more to bring about effective change than simply ordering it, or that the purpose of reorganization,

in the words of Harold Seidman, often turns out to be reorganization.

One dysfunctional factor apparently endemic to the American system is rapid turnover. The relatively long-term presence of dominant figures such as John Foster Dulles or Henry Kissinger is a rarity, and, when it happens, the tendency is toward a "personality cult" style of operation which functions in spite of the bureaucracy rather than in intimate and fruitful collaboration with it. On the other hand, studies have shown that the average tenure at the level of Assistant Secretary is just over two years.² This short tenure is conducive to "re-inventing the wheel" and to change efforts by ineffective methods such as fiat or superficial reorganization rather than dealing with deep-rooted and long-term issues and problems.

PUBLIC OPINION

An important factor in a democratic system is the influence of public opinion. One need only recall the era of the McCarthy witch hunts or of the Vietnam dissent. Public opinion can function as a goad to change or as a constraint. It places a premium on such factors as adroit timing and the charismatic power of a President, since few foreign affairs functions have built-in and dependable constituencies. Concern for public opinion accounts for some superficial change efforts and, for example, the gyrations American policymakers feel they must go through to "justify" foreign aid programs.

CONGRESSIONAL FRUSTRATION

The great creative period of Congressional involvement in foreign affairs organization and administration was that initial period of activism from 1944 to 1950. The House Foreign Affairs Committee cooperated closely with the FSO corps in connection with the Foreign Service Act of 1946, and Senator Vandenberg's legislative leadership in the late 1940s is legendary.

Thereafter, it is not too much to say that Congress either has been neglected or largely has failed to exercise its powers creatively. Its role has been mainly reactive rather than anticipatory. Although the Constitution allows the President extremely wide latitude in foreign affairs, Congress obviously has important powers in approving treaties, providing appropriations, legislating, overseeing, and shaping public opinion. But the initiative is in the White House, and Congressmen usually appear as baffled as everyone else by the elephantine size and shape of the foreign

affairs establishment, dealing with it piecemeal and rarely in anything resembling a creative partnership.³

In sum, Congress is normally passive but has important negative powers. On occasion, when frustration grows, Congress can become highly active.

POLICY AND STANDARDS OF MEASUREMENT

Major policy decisions obviously are likely to have impact on the foreign affairs structure and often lead to innovations or changes. This was most evident in the shift from isolationism to involvement and from optimistic collaboration to the Cold War policy of containment. It also has been noticeable in the eras of massive retaliation, counter-insurgency (Vietnam), and détente. Often, there is a direct one-to-one relationship when a policy enunciation (Point IV) leads to a new function (the Technical Cooperation Administration).

Below the level of grand strategy, however, the relationship between policy decisions and organization is murky territory at best. It is very difficult to demonstrate that this or that personnel system or this or that organizational arrangement has made a decisive difference in regard to a given foreign affairs crisis or foreign policy development. It is not, in fact, that there is no relationship, but that sensitivity, complexity, security classifications, and other factors make such relationships virtually impossible to ascertain under present conditions.

There are, of course, many instances in foreign affairs where policy is not articulated well or does not exist at all. In such cases, standards of measurement are virtually nonexistent, as in the old saying: "When you don't know where you're going, any road will get you there". The difficulty in expressing policy in U. S. foreign affairs below the highly abstract level means that it is difficult to express personnel and organizational requirements with any degree of certainty. It is difficult to measure effectiveness. Apart from an obvious disaster, any type or level of operation might be regarded as satisfactory.

THE AURA OF TEMPORARINESS

An important conditioning factor in the post-war years has been the reluctance to organize many of the new functions in foreign affairs on a long-term footing. Historically, the typical American response to a problem has been an energetic effort to solve the problem, followed by an expectation of a return to normalcy. Even though most people now would agree that the problems with which the U. S. is

²Dean E. Mann, *The Assistant Secretaries* (Washington: The Brookings Institution, 1965), pp. 227-31.

³For a good general discussion, see: James A. Robinson, *Congress and Foreign Policy-Making* (Homewood, Illinois: The Dorsey Press, 1962).

trying to cope in foreign affairs are either long-term or permanent, much of the foreign affairs establishment is still jerry-built and many of the employees remain in non-career categories.

THE ROLE OF THE FSO CORPS

The career category par excellence is the FSO category, which has all of the attributes of the classic career service, including entry at a relatively young age on the basis of rigorous examination, long-term commitment, and steady advancement. Rank adheres in the man rather than the position, and the service is largely self-governed with strong behavioral norms and pressures. It is a system identified with professional groups in the public service, and the profession in this case is conventional diplomacy, consisting of reporting, negotiating, and representing U.S. interests abroad generally. The style is that of the humanist rather than the scientist, the investigative journalist rather than the scholar, and the teacher rather than the manager. The prime interest is in foreign policy, and this means a penchant for political work, and, to a lesser extent, economic work, and for a staff function of advising senior officials, both elected and appointive, on policy decisions. Everything else has been considered secondary at best.

It can easily be seen why the interests and style of this group, which is the permanent and high status core group of personnel in U. S. foreign affairs, did not accord well with the new functions and general expansionism of the late 1940s. As indicated earlier, the FSOs had just put the final seal on their system in the Foreign Service Act of 1946, so it is no surprise that they steadfastly resisted absorbing the new functions. Ironically, this rigid resistance to change made the FSO corps a lightning rod for a steady succession of change efforts.

A GENERAL AIR OF DISSATISFACTION

It would be very difficult to build a substantial case that the operation of the U. S. foreign affairs establishment since the end of World War II has been one of abject failure. Everyone has his pet horror story, with most perhaps opting for Vietnam. Yet the fact is that the Republic has survived, its basic freedoms remain intact, its borders are inviolate, and, if there have been mistakes, the emergence of serious new problems, and massive shifts such as from a bipolar to a multipolar world, few would attempt to argue that the principal cause has been the way the U. S. has organized for the conduct of its foreign affairs. In fact, it would be easier to build a case that the postwar process of coping and reacting, of muddling through, has been reasonably successful in the light of all relevant considerations.

Why, then, the unceasing pressure for change from Presidents, Congress, White House staffers, agency heads, career officials, scholars, and outside reformers? To be sure, many change efforts are tactical, diversionary, cosmetic, or otherwise superficial, but many are also very serious and well-intentioned. The only explanation for the pressure to change, and this is the miscellaneous category, is a general air of dissatisfaction. In almost no case can the value of a change proposal be "proved" by reference to foreign affairs outputs or effects. But this does not mean that there are not strong convictions that improvements can be made in morale or communication or coordination or effectiveness generally. Many see inequities that can be straightened out. The esthetic sensibilities of some are offended by the crazy-quilt structure in foreign affairs, and there are efforts to build more reason and logic into it. There is a growing view that, whereas the overwhelming power of the United States allowed a wide margin for uncertainty and inefficiency in the past, the margin is now steadily narrowing. Many see the nagging persistence of important unresolved issues.

Altogether, the change pressure appears to stem from the general view that, however well we have done in organizing for foreign affairs, we have not done well enough.

THE PROBLEM OF COORDINATION AND OTHER UNRESOLVED ISSUES

Running like a central thread throughout the postwar change efforts in foreign affairs has been the problem of coordination.

Before the war, there was no problem to speak of—the oldest agency of the U. S. Government, the Department of State, clearly had the prestige, the authority, and the responsibility, functioning as a staff agency to the President and carrying out almost everything overseas that needed carrying out, certainly everything important.

But the problem of coordination clearly arose when foreign affairs expanded in size and functions after the war. The State Department proved little more congenial to the new functions than did its FSO corps. Many of the new functions were housed physically within the State Department from time to time. But they had the status of house guests rather than members of the family, and were left to operate virtually autonomously.

State's way of maintaining some semblance of control was by a top and bottom approach—retaining its traditional primacy in foreign policy at the top and providing overseas administrative support at the bottom. In between, the new functions were

left to fend for themselves in terms of personnel and organizational patterns, planning and budgetary channels, and cycles.

For a host of reasons, such as the unreceptivity of State and its FSO corps, the aura of temporariness, and the frequent preference of operators for autonomy in the new functions, one possible solution to the coordination problem never developed any momentum—a thoroughgoing reorganization of the Department of State to embrace the totality of foreign affairs operations. This approach was advocated as early as 1951 in a Brookings Institution study, in 1953 by Arthur MacMahon, and again by Brookings and by Nelson Rockefeller in 1960, who proposed reorganizing State into a "Department of Foreign Affairs," with the Secretary of State to function as "First Secretary" of the U. S. Government.⁴ He would be "executive chairman of the NSC" and operate on the "Prime Ministerial level". Under this design, the foreign assistance and overseas information functions would have been totally integrated within State and the FSO corps, and the hand of the Department would have been vastly strengthened in coordinating other functions that could not be integrated (e.g., the interests of the Treasury Department in international economic policy).

However, as indicated, this approach never received the powerful backing it would have required. The dominant doctrine for a considerable period, first prescribed by the Hoover Commission, was that "as a general rule" State should not involve itself in overseas operations but should remain primarily concerned with policy, functioning as a staff resource to the President, thus remaining relatively small in size and unencumbered by the new programs. Succeeding Secretaries of State reaffirmed this distinction between policy and operations. An Operations Coordinating Board (OCB) was set up as an adjunct of NSC, and the primacy of the Secretary and his Department in foreign policy were frequently reasserted. In this milieu, the proliferation of agencies, personnel groups, and interagency committees continued.

The result was frequent confusion, with coordination a sometime thing, and power moving about from a President or his immediate aides to the NSC to State or a powerful figure such as Dulles, but never solidified in any continuing rational way that could be depended upon by the principals or comprehended by outsiders.

If there were to be no grand reorganization of State, some reformers thought it might be possible to accomplish some improvement in coordination

by having the FSO corps absorb some of the new functions. But even if the FSO corps were receptive, the orthodox method of recruiting and developing young officers would be too slow, and entry at higher grades (called lateral entry) is strongly resisted. McDonald demonstrates in his case on the Wriston program how that massive dose of lateral entry, even though it saved the FSO corps from near-extinction and was a defense against the possibility of far stronger medicine, was nevertheless bitterly resented.

Quite different approaches to the problem of coordination were taken in the Kennedy and Nixon administrations. Kennedy reversed the doctrine of the past, dissolving the OCB and declaring the dichotomy between policy and operations to be false and unproductive. The approach was to rely on the bureaucracy—the Secretary of State, the regional Assistant Secretaries, and the FSO corps—to take charge and to be responsible not only for policy but for coordinating operations. This was a stirring challenge, echoed strongly by Secretary Rusk, but there was no thought of any major reorganization to accomplish it. In fact, the only direct move of the Kennedy administration in support was the letter to all ambassadors stressing that they were in charge of operations at their posts (see the Kloman case study on the role of U. S. Ambassadors). Other innovations of the Kennedy administration, such as the creation of AID and the Peace Corps, ran counter to the "take charge" challenge.

It was almost by accident that strong efforts materialized to effectuate the Kennedy challenge. Almost a year after the inauguration, the Herter Committee report went beyond its personnel mandate to present a blueprint of changes needed if State Department leadership and the Kennedy idea of the "new diplomacy" were to come into being. But Secretary Rusk and the White House were indifferent to the report, and it had no base of support in the Congress.

It was to be almost another year before a serious effort was mounted within the State Department, by Deputy Under Secretary for Administration William J. Crockett, to implement the Herter Committee recommendations. Crockett sponsored a great many change efforts, all of the major ones directed toward the goal of putting the Department of State in the leadership position over nearly the entire spectrum of foreign affairs operations. In the Hays Bill, Crockett sought to achieve an expanded single personnel system for foreign affairs, ultimately to bring in information and foreign aid personnel on a career basis. The most important managerial reform was a foreign affairs programming system, managed by State, in which the programs of all agencies operating abroad would be put in the same language and budgetary cycle within each for-

⁴For a discussion of this issue and references to source material, see: John E. Harr, *The Professional Diplomat* (Princeton: Princeton University Press, 1969), pp. 95-99.

eign country, creating a total country program for review and decision making.

In 1966, there came the strongest authorization yet for State Department leadership in the form of NSAM 341, authored by General Maxwell Taylor. It gave the Secretary of State and his Assistant Secretaries the same sort of coordinating authority that the Kennedy letter had given ambassadors, and it established interagency mechanisms with the State Department people in potentially commanding positions.

But NSAM 341 came five years after the Kennedy letter, too late, and at a time when the Crockett change efforts were all failing. By drawing energy and resources elsewhere, the Vietnam war was having a depressing effect on any change effort. But more importantly, there was indifference to the Crockett change efforts among the State Department hierarchy above Crockett and in the White House. This left them vulnerable whenever opposition arose from the other foreign affairs agencies, the Bureau of the Budget, or indeed from the FSO corps.

A major problem was that the State Department and the FSO corps were being asked to manage U. S. foreign affairs, and management was an alien concept in both the agency and the profession. In a belated effort to deal with that problem and with obstacles to his change efforts in general, Crockett initiated an organizational development program within State (see the Harmon case study of ACORD). Although it, too, eventually died, the program made a substantial impact, as Harmon indicates.

Ironically, there is considerable evidence that the State Department bureaucracy by 1968 was finally ready to do what the Kennedy administration had asked in 1961, having lived through and learned from a bewildering series of unsuccessful change efforts, of which only a few of the more consequential have been mentioned.

But by this time there was a new President, and he took a sharply different path. Nixon chose a personalized "anti-bureaucratic" approach so well described in the Crocker case study on the Kissinger NSC, and the State Department was largely ignored.

The point of this background is not to argue that any particular approach is or is not correct but to establish the fact that important basic issues remain unresolved.

Although it is too early to know the eventual Kissinger imprint, Crocker notes that the "anti-bureaucratic" NSC had become bureaucratized. Kissinger moved to the State Department, taking the power with him. What happens to a personalized approach when the person is gone?

Among the key unresolved issues: Is the responsibility for coordinating foreign affairs policy and operations to be vested in the NSC or the Department of State? Is the bureaucracy to be regarded as hopeless, or will there be sustained efforts to make it responsive to the President? Can interagency committees and other coordinative devices do the job, or should there be a major consolidating reorganization in foreign affairs? Is there to be a single comprehensive personnel system in foreign affairs or multiple systems?

CONCLUSIONS

It is not the purpose of this study to attempt to answer such substantive questions as the key unresolved issues posed above. Rather, it is to shed light on the change process itself, so that those who undertake the responsibility to resolve such difficult questions may know as much as possible about how to mount effectively the change that will be required to do so. That is the task of the next chapter.

Lessons to Be Learned

by John E. Harr

INTRODUCTION

The persistence of unresolved organizational issues and the volatile nature of the world political and economic environment combine to create at least one certainty for U. S. foreign affairs in the years ahead—that there will be many more organizational change efforts. The chief hope is that more of them will be more effective than in the past and that fewer will be foredoomed to failure from the start.

For this to happen, would-be reformers and change agents in the future will need to engage in critical and realistic evaluation of what they hope to accomplish and the chances for success—before the effort is mounted. To aid in that process, this chapter attempts to draw two sets of conclusions from the experience of the past 30 years and from the case materials now available.

The first is to isolate the key factors that are likely to be critical to the success or failure of a given change effort. The second is to examine the underlying question of the capability for successful change in the foreign affairs establishment. Before dealing with these conclusions, two tasks are necessary: to summarize the case studies and to make several general observations on the case materials as a whole.

SUMMARY OF THE CASES

To provide some perception of the nature and scope of the cases and to enable the reader to place the subsequent sections of this chapter in a general context, brief summaries of the nine case studies included in Part II follow. Four additional cases, not included in Part II but described and published previously, also are summarized because of their particular relevance. These four cases are identified in the text, and footnotes indicate where the more detailed case materials are available. It must be emphasized, however, that, in terms of full understanding of the events, forces, and effects

involved in the cases, the following summaries do not substitute for the detailed case analyses in Part II or the referenced literature.

The Wriston Committee. The eight member Committee was established by the Secretary of State in March 1954. Its central mission was to propose an integration of Foreign Service and State Department Civil Service personnel. All members (except *ex officio* members) were from outside the government—three had served as Assistant Secretaries of State. All were men of strong personalities, accustomed to shaping policies and using executive authority in large and important organizations. The report, submitted to the Secretary within 90 days, proposed two major changes, integration of personnel and scholarships supporting college-level preparation for foreign service, and contained 17 additional recommendations which, although important, were of secondary significance. The proposed integration of personnel was implemented at once. The scholarship program, which required legislation, was not sent forward to the U. S. Congress. Of the other 17 recommendations, 14 were accepted by Secretary Dulles and promptly carried out.

The Herter Committee. The twelve member Committee was established in the Fall of 1961 as a public committee and funded by non-government sources. Its members were distinguished persons with high stature in the national community and exceedingly experienced in and well informed about international affairs. While no member was then in the government, most had been, and seven had held posts in the State Department. The mission of the Committee was to foresee foreign affairs personnel requirements over the next decade and to strengthen the ability of the government to find, develop, and make maximum use of personnel with the skills and talents required.

The keynote for the report, which was completed in December 1962, was struck by its first recommendation, which called for strengthening the capacity of the Department of State in providing leadership in coordination of foreign affairs. It said the Department's responsibilities should embrace for-

eign policy formulation, development and coordination of foreign affairs programs, and the planning and marshaling of necessary resources.

Other major recommendations proposed: (1) creation of a third-ranking post of Executive Under Secretary to play the principal executive role in interagency coordination, (2) creation of a foreign affairs programming system, (3) establishment of a National Foreign Affairs College, and (4) creation of a family of 3 compatible career services. Remaining recommendations of the report dealt with proposals for improving personnel management in such areas as recruitment, examining, and appointment; assignment, career development, and training; and promotion and selection-out.

Secretary Rusk disapproved creation of the Executive Under Secretary post. Congress rejected the National Foreign Affairs College and the Hays Bill (which was based on the recommendation for compatible career services). The programming system proposal provided the basis for the subsequent Comprehensive Country Programming System (CCPS) effort (see the case study summary below). The Department implemented most of the personnel management recommendations that were within the authority of the Secretary. AID and USIA made parallel efforts.

The ACORD Program. In early 1966, William Crockett, Deputy Under Secretary for Administration, initiated a program of organization development in the State Department aimed at: (1) increasing the effectiveness of Departmental decision-making through executive team building, (2) promoting collaboration and the creative use of conflict to bring about openness in communication, (3) developing more effective managers, and (4) creating an organizational climate conducive to interpersonal trust and risk-taking. An additional objective was to effect the necessary reorientation of Departmental managers for the successful implementation and utilization of management programs initiated earlier by Crockett and his staff.

The central method employed in pursuit of the above objectives was sensitivity training laboratories (or T-groups) conducted by a group of outside consultants. By the end of 1966, over 200 senior officers had attended five-day off-site labs. The ACORD program functioned for only 20 months, too brief a period for any significant achievements. Its demise was a direct result of Crockett's departure and his replacement by an official who did not support it. The objectives of the ACORD program were achieved, at best, only to a marginal extent, except in the Africa Bureau, a few Latin American AID Missions, and in some parts of the AID Headquarters.

The Nixon-Kissinger National Security Council System, 1969-72. In 1969, Nixon and Kissinger initiated a

process to create the first fully White House-dominant system for the management of foreign policy. The effort, based on a restructured National Security Council (NSC) System, was directed toward the goal of personally devising purposeful and coherent policies responsive to what they perceived to be a watershed era in U. S. foreign policy and thereby building a highly centralized structure for Presidential leadership in foreign affairs. The case analysis concentrates on the organizational actions taken and the operating procedures developed to run the new system during the years 1969-72.

The Nixon-Kissinger model, as designed and outlined formally in directives and public statements, was not fully implemented in practice. The personal goals and styles of the two men remained in uneasy disequilibrium with the organizing system they established. Although they used the mechanism effectively on certain issues, the structure was unable to digest much of what it produced. As a result, the locus of decision and initiative on other matters was forced out of White House hands by the very system designed to centralize everything.

The Planning and Coordination Staff: Department of State. In April 1969, Under Secretary of State Elliot Richardson sent a memorandum to Secretary Rogers proposing the merging and modifying of the Policy Planning Council and the staff of the Under Secretaries Committee into a new Planning and Coordination Staff (S/PC) designed to assist senior officials of the Department "to take into account all relevant global, functional, and long-range considerations" in directing the conduct of foreign policy and advising the President on foreign policy issues and to serve as "a centralized organ for substantive follow-up and monitoring of action decisions".

On July 3, 1969, Rogers announced the formation of S/PC and designated a career foreign service officer as staff director. S/PC was to serve the senior officials of the Department collectively. Its functions were:

"a. To effect a more relevant and useful role for policy planning in the Department's policy formulating processes;

b. To make directly available to the Secretary and his principal associates staff analysis and advice particularly focusing on the world-wide and long-range implications of important policy issues;

c. To assist in assuring the coordinated and most effective interagency participation of the Department on foreign policy matters."

The overriding objective of S/PC was to help regain for State a more important and effective foreign policy role vis-à-vis the White House-centered policymaking machinery.

S/PC got off to a rather auspicious start. It was assigned action for National Security Study Memorandums. It initiated studies of several significant foreign policy issues. But it quickly became apparent that, in the new administration, the locus of power for most foreign policy issues was in the White House. S/PC was unable to recruit the caliber of staff essential to its effective performance. And, when Richardson left State, S/PC found itself without a top-level consumer; Richardson's successors and Secretary Rogers did not attend to S/PC's products, and S/PC was unable to fulfill the important role for which it had been created.

Creation and Evolution of the Council on International Economic Policy (CIEP). In January 1971, Nixon established CIEP, by memorandum, in the form of a high-level interagency coordinating committee. Its original membership was the President (Chairman), Secretary of State (Vice Chairman), the Secretaries of Treasury, Agriculture, Commerce, and Labor, the Director of OMB, the Chairman of the Council of Economic Advisers, the Assistant to the President for National Security Affairs, the Executive Director of the Domestic Council, and the Special Trade Representative.

Its objectives were to: (1) achieve consistency between domestic and foreign economic policy, (2) provide a clear top-level focus for the full range of international economic policies as a coherent whole, (3) consider international economic aspects of essentially foreign policy issues (e.g., aid and defense) under the general policy guidance of the National Security Council (NSC), (4) maintain close coordination with basic foreign policy objectives, and (5) coordinate international economic objectives with basic foreign policy objectives. The paramount objective behind the creation of CIEP was implicit—the Nixon-Ash approach to management, which had as its foundation the establishment of “covers” of one kind or another to bring real power and ultimate control into the White House.

So far, CIEP has not achieved any of its stated objectives. Nor has it attained the implicit objective of bringing real power and control over international economic policy into the White House. In large measure, CIEP's failure has stemmed from the nature of its mission—its unrealistic scope and great complexity. The mission statement was more an exercise of rhetoric and hyperbole than a realistic statement of purpose. Moreover, in international economic policy, real and ultimate power lies elsewhere—in the NSC, State, and Treasury. And finally, the kind of leadership and support essential to the effective operation of such a mechanism was not provided by Nixon, Kissinger, or the Executive Directors of CIEP.

The U. S. Ambassador as Coordinator and Manager: The Kennedy Administration Initiatives. At the beginning of his administration, Kennedy, through his

appointments, moved to give the State Department a more action-oriented, aggressive, and managerial spirit. Many of the persons appointed were deeply aware of the extent to which the traditional State approach towards the conduct of its responsibilities fell short of meeting the requirements of diplomacy in the postwar era. They realized that many ambassadors were reluctant to assume responsibilities beyond their traditional duties. Ambassadors were hesitant about trying to settle conflicts between members of their country team, fearing that they would not be backed up by the State Department. Convinced that overseas missions needed stronger leadership, Kennedy decided to write to each ambassador clearly establishing his authority and responsibility.

The letter, dated May 29, 1961, stated:

“In regard to your personal authority and responsibility, I shall count on you to oversee and coordinate all the activities of the United States Government in (name of country).”

You are in charge of the entire United States Diplomatic Mission, and I shall expect you to supervise all of its operations. (including) . . . all other United States agencies which have programs or activities in (name of country). I shall give you full support and backing in carrying out your assignment.”

The letter was, in a sense, an opening to a new thrust in managing foreign affairs and strengthening the coordinating role of U. S. ambassadors. The letter and related initiatives did have some immediate impact in strengthening ambassadorial leadership. But its successful implementation, on a long-term basis, depended on concerted follow-up efforts in Washington. Such follow-up did not occur, due, in large measure, to subsequent tensions between the White House and the State Department.

Foreign Aid: The Transition from ICA to AID, 1960-61. In January 1961, the outstanding organizational characteristic of U. S. foreign economic assistance activities was their high degree of dispersal among executive departments and agencies. It was evident, during the 1960 Presidential campaign, that the new President would subject the foreign aid program to a new and critical look. By his January, 1961 Inaugural and State of the Union addresses, Kennedy as a result of his own study, reports of various task forces, and discussions with Budget Bureau and agency officials, had committed his administration to a sweeping reorganization of foreign economic assistance activities.

In his March, 1961 foreign aid message to Congress, Kennedy proposed “that our separate and often confusing aid programs be integrated into a single Administration embracing the present Washington and field operations of:

A. The International Cooperation Administration (ICA) and all its technical assistance (Point 4) and other programs;

B. The Development Loan Fund (DLF);

C. The Food-for-Peace Program (P.L. 480) in its relations with other countries, while also recognizing its essential role in our farm economy;

D. The local currency lending activities of the Export-Import Bank;

E. The Peace Corps, recognizing its distinctive contribution beyond the area of economic development;

F. The donation of non-agricultural surpluses from other national stockpiles of excess commodities or equipment;

G. All other related staff and program services now provided by the Department of State as well as ICA."

Also in March 1961, Kennedy established the "President's Task Force on Foreign Economic Assistance" with members drawn from both inside and outside government. Its assignment was to determine the needed changes in program, organization, legislation, and personnel. By May 1961, the Task Force completed its study, and in late May, Kennedy transmitted to Congress a draft bill containing his reorganization plans. Congress responded in a relatively short period by passing the Foreign Assistance Act of 1961, which Kennedy signed on September 4, 1961. It gave Kennedy most of the authorities he requested in the draft bill, including almost full discretion on organizational matters. Only two proposals, five year borrowing authority for development loans and transfer of the Inspector General and Comptroller from State to the new Agency for International Development, were not accepted by Congress. A third proposal, separation of economic and social development assistance from military assistance, was not sent forward by Kennedy in light of clear indications of strong Congressional opposition.

The President's Task Force on International Development, 1969-70. By 1969, opposition to the foreign aid program was widespread, and support had weakened to the point that many of its supporters began to doubt that the annual battle could long continue to be won. The advent of a new President (Richard M. Nixon) and a change of political party in the White House were additional factors in launching another comprehensive examination of foreign aid. Finally, Nixon confronted, in the Javits Amendment to the Foreign Assistance Act of 1968, a formal Congressional request that he make: "a thorough and comprehensive reappraisal of United States foreign assistance programs . . . and to submit to the Congress on or before March 31, 1970 his recommendations . . ."

In September 1969, Nixon established a Special Task Force on International Development with Rudolph A. Peterson, President and Chief Executive Officer of the Bank of America, as Chairman and with 15 other private citizens chosen principally from the business and academic communities. Its purpose was two-fold: (1) to make recommendations for improvement in the efficiency and effectiveness of the foreign aid program by changes in organization, policy, and priorities and (2) to lay the groundwork for restoring public confidence and Congressional support for the program.

The principal point of the White House contact, throughout the work of the Task Force, was the President's National Security Adviser, Henry A. Kissinger. The emphasis of administration guidance given the Task Force was on change, finding a way to give foreign aid a new direction, a new emphasis, a new organization, and a new look.

The Task Force report was published in March 1970. It proposed: (1) an increase in the amount and proportion of U. S. resources provided the developing countries through international agencies and a relative decline in U. S. bilateral aid, (2) the virtual elimination of AID country missions, and a corresponding increase in the number of personnel stationed overseas by international agencies, (3) assumption by multilateral agencies, especially the International Bank for Reconstruction and Development, of responsibility for development planning in the aided countries, (4) elimination of the Agency for International Development and transfer of its responsibilities to State and to four newly created organizations, and (5) a number of other actions concerning foreign aid policy and procedure.

Nixon did not make formal legislative proposals to Congress, embodying the substance of the report, until April 1971—more than 13 months after the Task Force completed its work. Hearings were held in both Houses, but no action was taken during that session of Congress. No follow-up steps were taken by Nixon. A few of the recommendations ultimately found their way into legislative enactment or into administrative decisions affecting the AID program, but the Task Force effort did not have any real effect on the foreign aid program.

The following summaries are of the four additional cases.

*The Foreign Service Act of 1946.*¹ A chaotic post-World War II situation and the recognition of inadequacies in prior legislation motivated a small group of Foreign Service Officers to attempt to

¹See Harold Stein, ed., *Public Administration and Policy Development: A Case Book*, (New York: Harcourt Brace & World, 1952), pp. 661-737.

obtain a new Foreign Service Act. The effort consisted mainly of codifying previous legislation, of elaborating, adding, perfecting. There were also important defensive reasons why the FSOs felt that a strong re-statement of the career service was necessary. The Service had taken a distinct backseat during the war. Recruitment had ceased for the duration, and the bulk of expansion of civilian overseas activity was in the intelligence, economic, and information fields in the temporary wartime agencies. At the end of the war, approximately 10,000 employees of wartime agencies were transferred into State, compared to the 818 FSOs in the Service as of May 1, 1946; the possibility of "blanketing in" these persons was a serious concern to the FSOs.

In addition, there was considerable question in Washington about the necessity of special status and a separate elite corps for foreign affairs in the modern world. For example, soon after he became Secretary of State in July 1945, James F. Byrnes asked the Bureau of the Budget for its advice on the organization of the Department. A report, dealing mainly with organizational matters and the Departmental Service, was delivered a month later. Its brief treatment of the Foreign Service was very disturbing to the FSOs. Citing the "sharp distinction" between the Foreign Service and the "Departmental Service in Washington, staffed by the regular Civil Service", the report proposed steps that would lead to amalgamation of the two to create "a thoroughly united organization".

Against this background, a small group of FSOs moved to achieve a new Act. Although there was opposition from some FSOs, State Department officials, other Departments, and the Bureau of the Budget, the FSOs who drafted the bill managed to surmount opposition, compromising only on relatively unimportant details and on none of the important features. Two factors were largely responsible for their success. One was that the special subcommittee of the House Committee on Foreign Affairs adopted the bill as its own, and energetically worked for its passage. The other was that Secretary Byrnes had become identified with the bill, not so much through deep commitment and involvement, but because his new Assistant Secretary for Administration, an intimate friend, was determined to protect Byrnes and to avoid any clash between the Secretary and the corps of Foreign Service officers. Byrnes' support proved to be crucial. After the bill had passed both houses of Congress unanimously at the end of the session, with virtually no debate, President Truman seemed inclined to veto it on the basis of a recommendation from the Bureau of the Budget. Byrnes telephoned the President from Paris and urged him to sign the bill; the President "quickly agreed that Congress would react adversely if he vetoed a bill supported by his

Secretary of State and adopted without a dissenting vote".²

The Act was essentially conservative and was based upon the following principles:

1. The concept of a professional service should remain paramount.

2. A disciplined and mobile corps of trained men should be maintained through entry at the bottom on the basis of competitive examination and advancement by merit to positions of command.

3. Political influence should be excluded, while loyalty and esprit de corps should be sustained at a high level as essential elements in the efficient operation of the Service.

4. Compensation should be sufficient to attract able men regardless of the possession of private means.

*Programming Systems and Foreign Affairs Leadership: The Comprehensive Country Programming System.*³ As part of William J. Crockett's (Assistant Secretary for Administration and later Deputy Under Secretary for Administration, Department of State) efforts to strengthen the operation and management of the Department, he initiated a major project aimed at creating a planning-programming-budgeting system (PPBS) that would encompass all overseas operations of the U. S. government except command military forces. Herter Committee Recommendation No. 3 had proposed such a system, and an important model was the successful Department of Defense programming system.

Crockett's staff aide, Richard W. Barrett, was assigned responsibility for developing the system. He proposed a country programming system to provide the ambassador with the action-forcing process he needs to focus the total spectrum of U. S. programs on a set of agreed upon goals and objectives. The purpose of the effort was to provide a much-needed management tool that would assist the Department and its officers in discharging the enormous managerial responsibilities inherent in the new diplomacy. The basic idea was to overcome the long-standing problem of the mechanics of governmental process being stacked against the State Department in attempting to coordinate foreign operations. This was to be done by creating and installing a management information system that would provide information to State decision makers on the present and projected activities of all agencies operating abroad. The information would be provided in a common terminology and at the same point in time, so that activities could be compared meaningfully.

The real utility of the system would come when

²U.S. State Department News Letter (July 1964), p. 18.

³See Frederick C. Mosher and John E. Harr, *Programming Systems and Foreign Affairs Leadership: An Attempted Innovation*, (New York: Oxford University Press, 1970).

program data could be linked to policy objectives (where State had acknowledged supremacy) and to the budgets formulated independently by each agency. The idea was not to give State authoritarian control of all operational decisions, but to make it possible for the Department to influence those decisions and, thus, to play the coordinating role that was expected of it.

It was envisioned that this would happen in the form of a "country program" in which an ambassador, working with all of the agency representatives in his country of assignment, would use the information available in the system in relationship to policy objectives to create a total country program for the next budget year. This program would then be reviewed in Washington and final decisions would be reflected in the budgets of all the agencies concerned.

Out of these considerations was born the unwieldy name of the system, "Comprehensive Country Programming System" (CCPS). In terms of interagency relationships, decision-making procedures, and the operating styles of State Department officers, the implications were revolutionary.

Beginning with a rudimentary system design in 1963, a small staff of Reserve officers and young Foreign Service Officers was assembled. In two years, four major revisions of the system took place, based on repeated field tests. Data processing was computerized. By early 1965 an advanced design of the system had been installed in 30 U. S. Missions abroad.

Except for the junior officers involved in the effort, and other scattered interest, the programming system was not popular with FSOs. In general, the attitude of personnel in other agencies was one of wary cooperation. There was, however, widespread interest, particularly in the field, in an improved method of cooperation. This interest co-existed with concern over the possibility of losing a measure of autonomy.

An excellent opportunity for testing the link between programs and budgets came in March 1965 when President Lyndon B. Johnson instructed the State Department and the Bureau of the Budget to collaborate on an experimental review of programs in ten to 15 countries. Thirteen missions with an existing CCPS data base were selected for the experiment, which was labeled the "Executive Review of Overseas Programs" (EROP). Guidance papers were sent out; CCPS data were updated; ambassadorial review sessions were held in the field; and, for the first time, total country programs were submitted for review to Washington.

While the 13 country programs were being reviewed in Washington during the fall of 1966, Secretary of Defense McNamara's programming methods suddenly had government-wide impact.

President Johnson instructed the Bureau of the Budget to see to it that every major agency created a "planning-programming-budgeting system".

Some months later the cooperation between State and the Bureau of the Budget in the EROP exercise dissolved as the International Division of the Bureau, instead of co-opting the State Department effort, took the position that each foreign affairs agency should develop its own PPBS. In early 1966, this view gradually hardened into outright opposition to State's comprehensive approach, and a classic bureaucratic stalemate ensued. As a result, the EROP experiment was never completed; no report ever went to the President.

Crockett was faced with the choice of referring the stalemate to Secretary Rusk for resolution or finding some other way to ease the tension. To protect the Secretary, Crockett decided to create an advisory committee headed by Charles Hitch, architect of the Defense programming system, to make recommendations to Rusk on a foreign affairs PPBS. The State Department's CCPS effort went into a standby status. In October 1966, the Hitch Committee submitted its report, recommending that State should proceed with the creation and implementation of a comprehensive foreign affairs PPBS.

In late September of 1966, Nicholas Katzenbach was appointed Under Secretary of State to replace George Ball. Katzenbach was given the job of implementing the Hitch report and simultaneously of finding a strong person to head up State's programming-budgeting system. Katzenbach took Hitch's primary candidate, Thomas C. Schelling of Harvard University. Schelling tentatively accepted the job but, after several months of studying the situation, he decided to remain at Harvard.

Basically, Schelling saw that there could be no true comprehensive programming system unless there was the essential basis of budgetary control. Without a combined foreign affairs budget, he concluded, comprehensive programming would be futile.

In the meantime, the remnant of CCPS and EROP was maintained in the Latin America area largely because of the strong backing there of the Assistant Secretary, Lincoln Gordon, and the Deputy Assistant Secretary, Robert Sayre.

The program in Latin America, called CASP (Country Assistance Strategy Paper), continues to exist until this day. As a matter of fact, there have been attempts to spread some of the ideas of CASP to other parts of the Department with varying results. This was begun under the aegis of Deputy Under Secretary for Management William B. Macomber and is briefly alluded to in the S/PC case study.

Obstacles to Reform in Foreign Affairs: The Case of

NSAM 341.⁴ National Security Action Memorandum (NSAM) 341 of March 4, 1966 announced that President Johnson had "directed the Secretary of State, as his agent, to assume responsibility to the full extent permitted by law for the overall direction, coordination and supervision of interdepartmental activities of the United States Government overseas (less exempted military activities)". Under the leadership of General Maxwell Taylor, what had begun the previous fall as a limited effort to bring improvement to the government's counter-insurgency programs grew into an attempt to find ways of improving coordination of all official U. S. activities abroad. Taylor, working confidentially with four interagency task forces, concluded that: (1) a central point was needed beneath the President; (2) revival of the Eisenhower NSC system was not desirable, and (3) the State Department was the logical choice to assume responsibility for inter-departmental coordination. He did not regard this authority as "inherently or organically a State Department function" but rather as "something additional". Thus the need was apparent from his viewpoint for NSAM 341 giving such authority to the Secretary of State.

To assist the Secretary, two types of permanent interdepartmental committees were created: a Senior Interdepartmental Group (SIG) with the Under Secretary of State as Executive Chairman and the Special Assistant to the President for National Security and equivalent representatives from Defense, AID, the CIA, and the Joint Chiefs as members; and five Interdepartmental Regional Groups (IRGs), each with the Assistant Secretary of State for the appropriate geographic bureau as Executive Chairman and with membership parallel to that of the SIG at the regional level. The SIG was to assist the Secretary of State by attending to interdepartmental issues appealed to it by members or Assistant Secretaries of State. The IRGs were to insure the adequacy of policies for countries in their regions and of the means to implement them, and to make recommendations to higher officials about potentially critical situations. Each level was to have both policy-making and operation responsibilities. A key feature was the "Executive Chairman" concept, which gave heads of the six committees (that is, the Under Secretary of State and the five Assistant Secretaries) "full powers of decision", unless an appeal was requested to the next higher level. This was intended to strengthen the State Department and force decisions down the hierarchy.

Secretary of State Rusk was ambivalent about the new system, even though he might have been its

⁴See William I. Bacchus, "Obstacles to Reform in Foreign Affairs: The Case of NSAM 341", *Orbis*, 18 (Spring 1974), pp. 266-276.

chief bureaucratic beneficiary. Under Secretary Ball, already scheduled to leave his post, presided over the "start up" activities of the SIG but was not a strong advocate, and his successor, Nicholas Katzenbach, was even less impressed with its decision-making potential. It was not until Katzenbach had been in office almost a year that he called a SIG meeting. Even though SIG was reasonably active between July 1967 and the end of 1968, it never became of fundamental importance. The record of the regional IRGs was mixed but generally parallel. With the coming of the Nixon administration, both the SIG and the IRGs were relegated to secondary positions in the revived NSC system, the former as the Under Secretaries Committee and the latter as Interdepartmental Groups (IGs). In each case, the "Executive Chairman" authority was no longer conferred on the head of the committee.

The NSAM 341 system never approached the role General Taylor envisaged for it, due to ambiguity about the mandate actually given the Secretary of State, his lack of interest in it, subsequent failure to attempt to force it to work (also true of the President), weak staff support, and the continuation of consensual decision-making rather than strong direction by State officials heading the groups. Its record may suggest the futility of forcing basic foreign affairs decisions below the Presidential level, the necessity of designing procedures which fit the preferred operating styles of key decision-makers, and the need to find means of depriving existing bureaucratic interests of the means of subverting new instruments which may threaten their autonomy.

*Foreign Policy and the Bureaucratic Process: Country Director.*⁵ Concurrent with creation of the NSAM 341 system in 1966 and designed in part to support it, the State Department created new "country director" positions in the five geographic bureaus. Secretary Rusk appeared to give incumbents far-reaching powers: "I look to the Country Directors to assume full responsibilities, under their Assistant Secretaries, for all activities in the country or countries assigned to them, and to be single focal points in Washington to serve our Ambassadors."

Although NSAM 341 provided the impetus for the country director change, it was never discussed with General Taylor by those sponsoring it in State, most notably Deputy Under Secretary for Administration William J. Crockett. Its basic concepts actually had emerged in a management study conducted some three years earlier, and the change was generally consonant with a number of parallel reforms being attempted at the same time (see the ACORD case). Coupled with omission of mention

⁵See William I. Bacchus, *Foreign Policy and the Bureaucratic Process*, (Princeton: Princeton University Press, 1974).

1931

of the country director system from NSAM 341, this relationship to other internal State Department reforms led to ambiguity and uncertainty about the inter-agency role the country director should play.

The system's major feature was the "flattening" of the structure of each geographic bureau by replacing four to five office directors with nine or ten country directors of the same rank. In theory, one level thus was removed between the Assistant Secretary and individuals directly responsible for relations with specific countries, who previously had been officer-in-charge, one level below the office directors. This concentration of more senior talent on individual countries was intended to make it possible for country directors to assume broad leadership responsibilities government-wide for "their" countries.

The system survives largely intact to the present and was only marginally affected by the demise of the NSAM 341 system. At the same time, the country director is not anything resembling a final arbiter, even at the working level, of policy matters affecting relations with his countries of responsibility. At most, he can guide, give direction and information, but he cannot command. The system has, however, generally improved information about relations with specific countries and provided stronger support for U. S. Missions abroad.

The failure of the country director idea to meet its announced purposes had a number of causes. Country directors were not accepted as impartial judges of U. S. interests but rather as parochial special pleaders. The weakness of the State Department (which a working NSAM 341 system might have corrected partially) placed them in a position of inferiority in the interagency arena. They were handicapped in their ability to set policy and by the narrowness of their concerns, being below the political level.

The system was the victim of unrealistic expectations, confusion about what was expected, contending bureaucratic forces, and the weaknesses of both the Department and of individual country directors in assuming a managerial role. Measured against initial hopes, it was at best a limited success.

NOMENCLATURE OF THE CASES

Throughout this chapter, there will be frequent references to the nine new cases in this volume and to the four other change efforts for which comparable case materials are available. For convenience, references will be made to a shortened version of the title and, at times, to the author's last name. The nomenclature is given on page 28.

GENERAL OBSERVATIONS

If the case materials have one characteristic in common, it is that all of them deal with major and complicated organizational change efforts. Such studies rarely make easy reading, necessarily being encumbered with organizational detail and often lacking in high drama. Yet the fact is that each of the cases embodies in its own right a fascinating story of serious attempts to deal with serious problems or needs. The net effect, even though the cases represent only a sampling of the change efforts attempted in the past 30 years, is one of almost overwhelming complexity and difficulty.

It is interesting to note that virtually all of the cases bear directly on one or more of the "unresolved issues" cited at the end of Chapter I. The issue of a unified personnel system is prominent in the Wriston, Herter, and Foreign Service Act cases. The question of where to lodge primary control is contrasted sharply in the NSC case as against such major efforts to shore up State Department leadership as those recounted in the Herter, CCPS, and NSAM 341 cases. Other efforts to strengthen State are told in the ACORD, Ambassador, and Country Director cases. The nagging problem of coordination comes through vividly in the AID, CIEP, and S/PC cases and is reflected in almost all of the others.

One conclusion is that change is "built in" to the U. S. foreign affairs system in a way that is probably irremediable. This flows from the one basic premise in foreign affairs which is beyond dispute—that the President has enormous decision-making responsibility and authority. It is universally accepted that a President not only has the right but the duty to mold the foreign affairs establishment as much as possible to suit effectively his personal decision-making needs and style.

A President might delegate authority almost totally to a strong Secretary of State or he might try to make all of the key decisions right in the Oval Office. Either choice might be subject to criticism on many counts but never on the grounds of the President's right to make the choice. In the cases at hand, the polar extremes are represented in the NSAM 341 and NSC cases—and they were separated in time by only three years.

What this means, of course, is that at least one "unresolved issue"—whether the State Department or the NSC is to predominate—will probably never be resolved in any permanent way. In turn, this tends to keep the other issues unresolved and to induce other oscillations throughout the system.

This lack of stasis in the foreign affairs establishment is only one of many reasons why it is ex-

<i>Reference</i>	<i>Full Title</i>	<i>Author</i>
Wriston	The Case of the Wriston Committee.	McDonald
Herter	The Case of the Herter Committee, 1961-62.	McDonald
ACORD	Organizational Development in the State Department: A Case Study of the ACORD Program.	Harmon
NSC	The Nixon-Kissinger National Security Council System, 1969-72: A Study in Foreign Policy Management.	Crocker
S/PC	The Case of the Planning and Coordination Staff, Department of State.	Spector
CIEP	Creation and Evolution of the Council on International Economic Policy.	Del Guidice
Ambassador AID	The Role of the Ambassador. Foreign Aid: The Transition from ICA to AID, 1969-70.	Kloman DeAngelis
Peterson	The President's Task Force on International Development, 1969-70.	Barrows
Foreign Service Act	The Foreign Service Act of 1946.	Stein
CCPS	Programming Systems and Foreign Affairs Leadership.	Mosher & Harr
NSAM 341	Obstacles to Reform in Foreign Affairs: The Case of NSAM 341.	Bacchus
Country Director	Foreign Policy and the Bureaucratic Process.	Bacchus

ure" on many of the change efforts that have occurred. Apparent successes sometimes have long-term deleterious effects; apparent failures may have long-term beneficial effects. Much can happen between the design and the result: goals change; compromises occur; old patterns re-emerge; linkages are not made. Most of the change efforts described in the cases had the superficial success of being "adopted" in a technical and bureaucratic sense. Not so many actually changed the system itself or produced the desired result in any clear-cut way.

Of all the cases, the two most conspicuous examples of failure are the work of the Peterson Task Force, which had almost no discernible effects, and NSAM 341 which, although "adopted", soon became a dead letter. Close to this end of the spectrum are the CIEP and S/PC examples. Both were well intentioned, both functioned for a considerable time, and yet both have suffered mortally from a power vacuum.

At the other end of the spectrum, the most successful changes, though not in an unqualified way, were: Wriston, NSC, AID, and the Foreign Service Act.

AID and the Herter Committee are similar in the sense that both were major omnibus reform efforts, so sweeping and comprehensive in nature that they

are difficult to evaluate. In fact, each is many case studies in one. Yet, though riddled with compromises, AID must be accounted as a remarkable success in many respects. In contrast, all of the major recommendations of the Herter Committee failed; only minor changes in the personnel field were put into effect.

Yet, the Herter Report could still have long-term benefits, as McDonald points out. In association with other failed efforts to strengthen the State Department, ACORD, CCPS, even NSAM 341, it has set a pattern and caused a great deal of pre-conditioning, should anyone ever again want to try to put the State Department fully in charge of foreign affairs.

Related here are two other reforms which must be counted as moderate successes, the role of the Ambassador and the Country Director innovation. Both persist, though they fall short of genuinely changing the system or producing desired results, largely because of the failure of the other State Department improvement efforts.

CRITICAL FACTORS

The explanation for the success or failure of any of these change efforts can be found in detail in the

relevant case study. Our purpose here is not to repeat those specific analyses but to generalize to the extent possible by abstracting from the research a number of critical factors within which the level of performance is likely to augur well or ill for success in virtually any organizational change effort. In turn, these factors should have utility in analyzing other change efforts. They also should be useful in evaluating contemplated change efforts.

Several caveats should be entered. The list of factors discussed here is not meant to be exhaustive; rather, it is limited to those which seem to have particular importance and relevancy in the foreign affairs field. Some of the factors are, in fact, major categories which subsume a number of subcategories and could be discussed at great length. They are not so discussed here. Circumstances will dictate that some factors will be more critical in given cases than others. Most of the factors are relevant in most of the cases; several are relevant in all of them. This means that any definitive analysis of a change effort must comprehend a number of factors and their interrelationships; no one factor alone would suffice.

SOURCE OF POWER OR AUTHORITY

This is one factor which not only applies to all of the cases but is invariably "critical". By definition, an organizational change effort must have a source of power or authority, or it would have to be called something else. The relevant questions have to do with: identification of the power base, its nature, how genuinely it supports the proposed change, how sustained that support is, and whether it is strong enough to deal with opposition and achieve the desired results.

It should be pointed out that, again, by definition, the power source provides power, not necessarily creativity. The power source may indeed be the instigator of a change effort, but by no means is this always the case. Even more rarely does the power source actually implement the change (see discussion of change agents below).

In foreign affairs, the power source is usually found in one of three places: the White House, the Congress, or the offices of the top officials of an agency (either the agency head or the chief of an important subdivision)—or any combination. The role can include: either the instigating or legitimizing of the change effort, providing of logistical support, dealing with formidable opposition, building support elsewhere, and making crucial decisions such as approving or altering the content of the change, whether or not to compromise, and whether to persist or give up.

Strong and sustained power is clearly evident in the four cases adjudged in the last section as relatively successful. In the Wriston case, the Secretary

and Under Secretary of State knew what they wanted; they had the authority to do it (since the entire operation was internal); they found an effective change agent, and the recommendations were implemented with great strength and dispatch. In the Foreign Service Act case, the power base was an alliance of the FSO corps itself, the Under Secretary of State, and the House Foreign Affairs Committee. Even this was not enough to overcome the opposition of the Bureau of the Budget and the Civil Service Commission without the ultimate strong backing of the Secretary of State and the President. In the case of AID, President Kennedy and his staff knew what they wanted, and they stayed with it, including compromising when necessary to make sure that the basic reform succeeded. In the case of NSC, President Nixon also knew what he wanted; it was within his direct power to bring it off, and he found the right man to execute it.

In contrast, the Nixon administration was not at all sure what it wanted in the foreign aid field; therefore, the Peterson Task Force was left to drift essentially powerlessly, with predictable results. Similarly the Herter Committee, though its report had strong moral and intellectual authority, ended up with no visible power base.

The Herter case illustrates an important point: that an expression of Presidential intentions does not necessarily constitute power. In point of fact, the Herter Report was a blueprint for achieving what the Kennedy administration had said it wanted—a State Department fully in charge of managing foreign affairs. But the Report might have been written in Sanskrit for all the attention it received from the White House.

What was lacking was sustained power, the intimate, ongoing, collaborative relationship between the power base and the change agents which is normally critical to success. Because the White House did not follow through, there was no compulsion for Secretary Rusk to do so. He was not reform-oriented, though he was permissive about change efforts mounted at lower levels. This is precisely where follow-up change efforts, such as CCPS, ACORD, and the Hays Bill, were mounted—at the lower level of the Office of the Deputy Under Secretary for Administration, William J. Crockett. Though this office has important requisites of power in such areas as personnel and the budget, these were not sufficient to overcome the low-status "administrative" image as against the high-status "substantive" image in the State Department culture.

The lack of sustained power also is evident in the related case of NSAM 341. A great deal of effort was spent in getting the President to sign a piece of paper, seemingly a highly authoritative one. But because there was no monitoring, holding to account, or follow-through by the White House,

NSAM 341 ended up as nothing more than a piece of paper.

NATURE OF CHANGE AGENTS

The presence of a change agent is a necessary but not sufficient condition for success in organizational change. The chief considerations are status, function, ability, and relationship to the power base.

There are three functions that a change agent can perform: identification of a problem or need, development of a proposed solution, and implementation. All three functions may be performed by one individual or group, or they might be performed by separate parties. The involvement of a power source as a change agent is very often limited to the first function of problem identification. But frequently the initiative comes from a change agent who "sells" the existence of the problem (and usually a proposed solution) to the power source.

A frequent recourse for the prescriptive function is to assemble the high status public-private committee or governmental task force, as in the cases of the Wriston and Herter Committees, the Peterson and Labouisse Task Forces, and the Ash Council.

Usually, implementation is the most difficult and neglected of the three functions. Here the change agents are fighting in the trenches of bureaucratic warfare. They must be salesmen, negotiators, monitors, and compromisers or re-designers, since a change model almost always must be refined or modified as it goes up against organizational realities. And, whether the effort succeeds or fails, the implementers not infrequently are casualties in the classic manner of revolutionaries everywhere.

A good example of how weakness in this third function can be fatal is the case of NSAM 341. General Maxwell Taylor was a high-status change agent who performed the first two functions with the help of a Presidential mandate and a good power base in the White House. His analysis of the problem and his conclusions were remarkably astute. His change model was promulgated in an authoritative form. Success so far, but the change agents needed to make the model come alive in the real world were lacking, as was the sustained power needed to cause such change agents to materialize. Result: total failure.

The relationship to the power base is crucial. The history of any organizational milieu is replete with stories of eager change agents who were carried away with the rightness of the cause or the power of their idea but ran afoul of the *Realpolitik* of organizational change. Again, the CCPS and ACORD cases are relevant.

High status and good ideas are certainly useful, but without power and zealous implementation

they are not nearly enough. For example, the Herter Committee had higher status than the Wriston Committee by virtue of a broader mandate, blue-ribbon membership, more time and money, extensive research, and a comprehensive report which most independent observers would probably agree was much superior to the Wriston recommendations. Yet, the Wriston Committee, tied solidly to a power base, succeeded, while the Herter Committee failed.

As with the Wriston Committee, the other three cases of most successful change (AID, NSC, the Foreign Service Act) exhibited extremely effective change agents backed by sufficient power.

THE STATING OF OBJECTIVES

A sense of purpose is an obvious element of organizational change, as obvious as the need for a power base. Anyone contemplating a change effort must have some objective in mind. The analyst of a change effort normally will seek answers to three questions: what was the change intended to accomplish, what actually happened, and why?

This formula works well when the change effort is of minor importance, highly specific in nature, or technical. But in the foreign affairs cases, the formula dissolves into complexity with the very first question of objectives. Some of the layers of complexity are suggested by McDonald in discussing manifest and implicit objectives in the Herter case and by Crocker in discussing personal or private goals as against public goals in the NSC case.

At times, objectives are not stated at all. When there is a more or less formal statement of objectives, important motivations or goals are frequently left out. Sometimes a change effort will be attributed to high-sounding, unassailable purposes that have little to do with reality. At other times, objectives will be overstated, either because of the zeal of the reformers or to help sell the reform. Conversely, objectives may be understated in order to avoid arousing opposition. Frequently, objectives may change in the course of implementation. Often there will be unintended effects, which later will be attributed to deliberate intent on the part of the reformers. All of these factors can be multiplied in a given change effort when there are multiple objectives, as is frequently the case.

All of this not only makes measurement extremely difficult but also any attempt to generalize. However, the cases do suggest some trends. In most of the cases of moderate to high success—Foreign Service Act, Wriston, NSC, Country Director, role of the Ambassador—objectives were either clearly and realistically stated or were understated. In some of the cases toward the failure end of the spectrum, objectives were grossly overstated. For

example, in the case of CIEP, Del Guidice refers to "unrealistic scope and complexity" and to an "overblown charter". Spector refers to the mandate of S/PC as "unrealistic", and Harmon states: "Because both its stated and implied objectives were so sweeping in nature, it would be folly to argue that ACORD was successful in achieving them".

It should be noted that, in a number of cases, the manner in which objectives were (or were not) stated does not appear to be a decisive factor in determining success or failure—the Peterson Task Force, NSC, NSAM 341, Herter, CIEP, Wriston. A further note of caution is introduced by the AID case. Here the objectives were certainly of major dimensions. If AID had failed, one would be tempted to attribute that to "unrealistic objectives". Yet, AID largely succeeded.

This also illustrates how moral and judgemental factors can be extremely important. For example, in the Herter and CCPS cases the objectives were also very sweeping. The reformers naturally wanted to succeed. Yet both cases suggest that the reformers placed more value on saying what they believed ought to be said than on watering down their objectives in hopes of increasing chances for success.

The case materials suggest that objectives are most explicitly stated when either legislation or a high-level committee (such as the Herter Committee) is involved. They are likely to be overstated when power is weak—CIEP, S/PC, ACORD. And, the NSC case suggests that understatement is likely to occur when power is very strong.

INHERENT VALUE

This sounds like a normative category in which some final judgment is to be passed as to the worthwhileness of each change effort. That would be a legitimate pastime, but it is not intended here. Rather, what is intended is an analytical category in terms of the nature of a proposed change assessed against conditions in the environment within which it is to be effectuated.

The concern here is with the timeliness of the proposed change, the degree to which the existence of a problem or need is recognized, and the degree to which the proposed solution is seen as reasonable. Basically, the concern is with the importance of the change in terms of prevailing conditions.

The AID case is an outstanding example. There was a wide consensus that a major rethinking and reorganizing of foreign assistance programs was needed. This sense of timeliness (and the muscle behind it) goes a long way toward explaining why such an innovative and grand design largely succeeded. The Wriston case is another good example. Although many of those affected by it felt that the

solution was unreasonable, it was in fact long overdue. The widespread consensus that *something* had to be done gave the report a strong base.

The role of the ambassador offers another example. No one disagreed that some one person clearly had to be in charge of each U. S. Mission abroad. Considerable doctrine in this direction already existed when the Kennedy letter was promulgated. No serious power shifts occurred, since the performance at each Mission depended on the style and initiative of the ambassador, and personnel of other agencies still had their power bases back home. In some respects, the Country Director reform was similar. It had a certain sense of logic to it. Secretary Rusk's long-standing dislike of "layering" in the State Department was well-known, so the reform surprised no one. Again, no serious inter-agency power shift occurred.

In contrast, one of the difficulties of the Peterson Task Force was that there was no widespread agreement about the need to reorganize foreign assistance and, hence, no clear sense of direction in that regard. In the S/PC case, a certain "makework" aura comes to permeate the story. As events turned out, it simply did not make much difference what units and committees were created in State or how papers were routed, because the power had moved over to the NSC. In the case of CIEP, the problem of coordinating international economic policy has certainly existed, but the solution was not a reasonable one. Therefore, as with the S/PC, the work of CIEP has not been very important. The Peterson Task Force ultimately vanished, and CIEP has been moribund.

LEADERS AND STAFF

The people dimension is invariably crucial in organizational change. The planner of change would be well advised to give careful consideration to the availability of capable leaders and competent staff, not only in the design and sales stages but also in the implementation stage where the personnel needs are sometimes overlooked or left to chance.

A complicating factor in the foreign affairs field is the rapid turnover of executives, as discussed in Chapter I. But where a field is accident-prone in this regard, the change agent should strive to take out some form of accident insurance. The style of executives can have an important bearing on the strategy and effectiveness of a change effort. Contrast, for example, the near-authoritarian style of State Department executives at the time of the Wriston program to the generally permissive stance that Secretary Rusk took toward the series of change efforts mounted during his tenure.

The classic personnel axiom of fitting square pegs in square holes is always a consideration. For

example, in the case of NSC, Henry Kissinger was obviously well-suited to the task by virtue of his background, interests, and competence. On the other hand, Peter G. Peterson did not have adequate background for his CIEP assignment and was simply not at home in the job. Throughout the Kennedy and Johnson years, when the State Department was being asked to take over active management of almost the entire spectrum of foreign affairs activity, there were no management-oriented executives in State above the level of Deputy Under Secretary for Administration.

During these same years, turnover also was particularly damaging to the State Department efforts for change. The Herter staff had close rapport with Deputy Under Secretary for Administration Roger Jones, but, by the time the report came out, he had been replaced by William Orrick, a man with no background in foreign affairs, no managerial experience, and no interest in the report. By the time Orrick was replaced by William Crockett, who energetically tried to implement the Herter recommendations, almost a year had passed. When Idar Rimestad succeeded Crockett, all of the Crockett change programs were erased. When Rimestad was succeeded by a management-oriented executive, William Macomber, efforts were made to start up new change efforts similar to those espoused by Crockett. But by this time, the opportunity was gone, and the power had slipped over to the NSC.

More than anything else, NSAM 341 symbolized the State Department opportunity to take charge. It depended solidly on the Under Secretary of State for implementation. But shortly after the NSAM was promulgated, Under Secretary George Ball left the Department. His replacement, Nicholas Katzenbach, did virtually nothing about the NSAM for almost a full year, by which time it was too late.

How vital a highly motivated and competent staff can be to a change effort is well brought out by Crocker in the NSC case. It is also instructive to read McDonald's account of the excellence of the Wriston Committee staff work. However, he also praises the Herter Committee staff and its work. Yet, the Herter report did spawn some serious change efforts, and it is clear that some of them, notably CCPS and ACORD, would never have persevered as long as they did were it not for the presence of specially recruited and highly motivated staffs.

Perhaps all this proves is that good staff work is extremely important but no more a guarantee of success than any other single factor.

INVOLVEMENT OF THOSE TO BE AFFECTED

A corollary to the previous category is the importance for change agents of considering the involve-

ment of those who are to be affected by certain types of change efforts.

When a reform is highly innovative (NSC) or specialized (CCPS, ACORD) in nature, a specially recruited or drastically reorganized staff is almost always vitally important, as discussed in the previous section. But the situation is quite different when a reform is going to change the conditions of life for an existing bureaucracy. A special staff may still have an important role to play as the cutting edge of the reform. For example, special staffs were clearly necessary for the CCPS and ACORD reforms. Another of the weaknesses of NSAM 341 was that no such staff was created within State. But in all three cases, the effectiveness of the reform ultimately depended on growing acceptance by the bureaucracy.

Basically, there are only two ways to achieve an important change in an existing bureaucracy. One is the authoritarian way, the decisive application of power, which is tantamount to telling employees to like it or leave. The other is the participative way, the patient, long-term effort to involve employees in both the design and execution of the change with the hope that in that process they will fully internalize it.

Any serious change in an organization involves some redistribution of power and new influences on the self-images, career incentives, and comfort of employees. There is, therefore, an element of risk in either model, which is why the choice often can be a critical one for change agents. An authoritarian change might cause too many employees to leave or, more likely, result in too large a cost in terms of damaged morale and lowered effectiveness. A participative approach requires great skill and allows full latitude for bureaucratic gamesmanship. A frequent result is that the bureaucrats simply outlast the change agents, reverting ultimately to old and comfortable norms. This can happen in the authoritarian approach, too.

Both approaches have their benefits. The authoritarian approach is not as messy, it saves time, and it reduces the chances of the change being compromised. The participative approach increases the chances of more genuine acceptance, improved morale, and better performance.

Up to now at least, the authoritarian approach has been attempted much more often than the participative one, not only in the foreign affairs community but in organizations generally. The Wriston program is a classic example of success, whereas, if it had been attempted by participative methods, it certainly would have failed. One of the difficulties in the authoritarian approach is that very often the will or resolve or sheer ruthlessness is lacking, so that the approach has only an authoritarian illusion rather than a reality.

This explains why attempts to change by fiat, as in NSAM 341, so often fail.

On the participative side, the Crockett change efforts in the State Department tell an interesting story. There was not enough power available to put over the foreign affairs programming system (CCPS) by authoritarian means. But it was pursued more in a clinical and technical way than a participative one, including some authoritarian overtones, and senior FSOs strongly resisted it. After several years of such resistance, Crockett initiated the ACORD program which was specifically based on a participative ideology. But, as Harmon reports, ACORD was a matter of too little, too late. One is left to wonder what would have happened had ACORD been initiated before the programming effort or simultaneously with it.

SCOPE, CONSTITUENCIES, AND METHODS

This multiple category begins to get into the area of the tactical considerations in mounting change efforts.

It is almost axiomatic that the less sweeping a desired change is, the more likely it is that it will succeed. On the other hand, the more sweeping a change effort, the stronger the power base must be to attain success and the more that attempts must be made to build support in other constituencies.

The AID case offers a good example of how the boundaries of a grand design might be narrowed somewhat in the decision that half or more of a loaf is better than none. Some of the narrowing might have been made necessary, DeAngelis suggests, by a failure to work hard enough and soon enough to build support elsewhere, notably in the Congress.

Once again, the Wriston and Herter Committees offer a good contrast. The Wriston recommendations were narrow in scope, and the entire operation was internal to the Department of State. Sufficient power was available, and there was no need to worry about building constituencies elsewhere. On the other hand, the Herter Committee took on a much more imposing challenge, dealing with a broad, multi-agency canvas and making recommendations designed to bring about fundamental changes in the foreign affairs establishment.

Building constituencies can be an important tactical consideration when there is a need to establish countervailing power as a hedge against the likelihood of opposition elsewhere. A good example is the classic "end run" of the FSO corps around the Bureau of the Budget to the strong power of the House Foreign Affairs Committee in the passing of the Foreign Service Act of 1946.

Generally, of course, the need to build support is based on an assessment of whose interests are going to be affected by the contemplated change. This

can be important even when the change is internal to an agency, as in the ACORD case. The need is more manifest when the interests of other agencies are involved. For example, the CCPS would have radically affected the interests of foreign affairs agencies other than the State Department. This was perceived more readily by the other agencies than did State Department officers perceive the advantages of CCPS to them. Thus, while there were efforts to build support in the other agencies, there was no countervailing power to be brought to bear on them.

As far as change methodology is concerned, the fact that the Peterson and Herter committees were bereft of power and yet made no particular effort to build constituencies for their recommendations is instructive. The reason was probably not so much a matter of failure to perceive the need as it was inhibitions based on a sense of propriety. High-level committees, especially when eminent private citizens are among the members, are likely to see their role as limited to analysis, diagnosis, and prescription. It is up to somebody else to play the power games and get involved in implementation. This suggests that the high-level committee, though it may have attributes of visibility and status, is a weak method of bringing about change unless strong external support is provided and a band of change agents is waiting to move the product at the earliest opportunity.

CIEP is another good example of a change effort based on unsuitable methodology. The real power rested in the agencies, particularly Treasury and State. To improve the coordination of international economic policy, it would be necessary to change the working habits and thinking of the bureaucrats in these agencies. As we have seen in the previous category, this is extraordinarily difficult to do. In such a situation, creating a committee like CIEP is tantamount to avoiding the issue; yet, CIEP is only one of many such attempts in the foreign affairs community.

The same analysis could be made of other change methods which are widely seen as weak and ineffective—exhortation, the issuing of directives, reorganization. The Kennedy decision to end the dichotomy between policy and operations and to put the State Department in charge of both is an excellent example. This was simply pronounced by the White House. There was no program to get from here to there, and there is no evidence that anyone in the White House perceived the enormous gap between the desire and the reality, or what it would take to close the gap.

The point is that no particular method of change is inherently strong or weak. It all depends on how it is used. The problem is that organizational leaders frequently delude themselves in attempting to bring about change. They often appear to think that

making a hortatory statement, issuing a directive, establishing a study group, creating a committee, or reorganizing is sufficient to accomplish the desired result. It is rarely sufficient. What must be done is to select methods appropriate to the change and to fortify them with effective performance in all of the relevant critical factors discussed here.

TIMING AND LINKAGES

A sense of timing and a concern for linking one change effort to another can be important tactical considerations. They should be differentiated from the strategic considerations of "timeliness" discussed earlier.

For example, the Herter report was timely, given all of the signals that were being sent out by the Kennedy White House. But the timing was bad when it came to actual efforts to implement the recommendations. More than a year passed before the floating of the Hays Bill variations on the Herter recommendations for a foreign affairs personnel system. Whatever impetus might have been gained from the prestige and publicity surrounding publication of the Herter report was long gone.

The Wriston and NSC cases provide excellent examples of the importance of timing in the sense of following through quickly to maintain momentum and moving before opposition can solidify.

The linking of one change effort to another may help each reinforce the other. In a larger sense, a concern for linkages recognizes that an organization is a system of interacting parts, and that a significant change in one area often has important effects in other areas, whether intended or not. Therefore, maximum success may require coordinating several changes. Timing is obviously a key consideration in such coordinating efforts.

These factors are illustrated in the State Department change efforts of the 1960s. A classic example has already been referred to—the initiation of a change-facilitating mechanism (ACORD) long after one major change it was designed to assist (CCPS) had run into stone walls. Another example is the incredible five-year gap between the Kennedy letter to ambassadors and NSAM 341. Both were designed to accomplish similar objectives of State Department control in their respective spheres (overseas posts and headquarters), but the first could only be a modest and spotty success without the second.

The CCPS effort is related to these systems considerations, too. For ambassadors to have much more than a titular role in charge of their Country Teams, they needed the country-based data and programming tools that the CCPS was designed to provide. Among other things, the NSAM 341 structure also depended on such information. In turn,

both the ambassadors and CCPS required a strong "Country Team" pattern in Washington, such as NSAM 341 might have provided, in order to be effectual. But CCPS came along several years after the Kennedy letter and was in its death throes by the time the NSAM was promulgated. It should be noted that the Country Director reform also occurred five years after the Kennedy letter, and that it was independent of a programming system and did not possess the multi-agency authority that NSAM 341 provided at the Assistant Secretary and Under Secretary levels.

All in all, the picture is a severely disjointed one. The timing was continually off, and linkages were not securely made. There was no master plan or overall systems approach.

CONCLUSION: AN IMPROVED CAPABILITY FOR CHANGE

Understanding of the critical factors discussed in the preceding section should provide useful guidance for future change efforts. A check-list for change could be abstracted from the factors—a linear progression of steps, each to be weighed and considered before proceeding to the next step. Depending on the circumstances of a particular reform, many steps may not be applicable and can be passed over. Others will require careful study and evaluation.

But the most important lesson of the past 30 years may well be that the most needed area of change is to improve the capability for change itself within the foreign affairs establishment.

This conclusion derives from three sets of observations, two of which have been previously discussed. The first is that change in policies and in programs will be at least as prevalent in the years ahead as it has in the past. This view stems from recognition of the persistence of unresolved issues, of factors "built-in" to the foreign affairs system which are conducive to continuing oscillations, and of the volatile nature of world political and economic trends and events. The second set of observations has to do with the difficulty of achieving successful change in foreign affairs. Although there have been notable successes, the record shows that efforts to improve the foreign affairs apparatus have failed all too frequently.

The third set of observations has to do with the general weakness of the foreign affairs establishment in terms of a capability for generating and supporting effective change. It is a weakness in the attitudes, practices, culture, and institutional mechanisms that are conducive to change.

Too few top level policy and decision makers in

foreign affairs have attended adequately to the lessons of past reform efforts. The result is that the same things are tried again and again. There is no systematic mechanism within the foreign affairs agencies for evaluating change efforts so that each experience can be captured, at least for its heuristic value. Evaluation happens only on a random basis, the luck of chance when a scholar happens on a particular incident and studies and records it. There is no "R & D" capability; the use of the term "research" in AID and State is a misnomer.

Occasionally a lone spotlight is thrown on the lack of research in foreign affairs by a scholar such as Robert Elder,⁶ but there has been no sustained interest or even understanding within the foreign affairs culture itself. The reason is that, although the culture appears to be experimental because of all of the activity going on, the appearance is deceiving. The opposite is true. Much of the activity is ad hoc, reactive, and expedient, providing little basis for progressive improvement. Rarely is there experimentation in the true sense of analysis, testing, the laying out of options, the recording of experience.

A little known innovation in the Department of State in the 1960s would have been a bold stroke in terms of analysis, testing, and developing options had it survived. It was the creation of the Center for International Systems Research (CISR), intended to be something on the order of the Advanced Research Projects Agency of the Pentagon. Just one of CISR's objectives—creating an ongoing series of

case studies of crisis management in foreign affairs—would be an extraordinary resource today, even if still under security classification. But CISR had only a small imported staff implanted in an alien culture and almost no funds, and it was soon swept away.

In regard to this theme of a capability for change, the ACORD case study is interesting and relevant. Its OD (organizational development) program was not a substantive reform in itself but an effort to instill attitudes and techniques to facilitate effective change. This is one of the types of capabilities which will be needed on a larger and more permanent basis if the foreign affairs culture is going to become experimental and change-oriented.

Perhaps what is needed in foreign affairs is not so much a change agent, but a change agency, a competent and objective group which could be drawn upon by other agencies for assistance in designing, monitoring, and facilitating change efforts. In any event, there is a need for wide-open, innovative thinking, for the techniques of futurism, for major use of research, computers, gaming, simulation, case studies, organizational development, and other methods. There is a need, in the FSO corps and elsewhere in foreign affairs, for persons who are thoroughly trained in the social sciences.

In the face of an extremely difficult and changing environment, it may not be possible to achieve a viable master blueprint for a foreign affairs structure for the United States. But it may be possible to build in, nurture, sustain, protect, and fully utilize a flexible capability for effective change within the structure.

⁶Robert Elder, *The Policy Machine*, (Syracuse: Syracuse University Press, 1960).

Part Two: Case Analyses

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1947

The Case of the Wriston Committee

by William T. McDonald

ONE REPORT AMONG MANY

As one of its first projects, the staff of the Murphy Commission quickly inventoried, summarized, and assayed more than 80 official studies and reports between 1937 (the Brownlow Report) and 1974 (the Bolling Committee Study), aimed at improving the apparatus for formulating and conducting the foreign affairs of the United States.¹ These studies were found to vary greatly in terms of their impingement upon the structure and behavior of the State Department and related organizations. In this range from small to great impact, there is little question where the Wriston Committee belongs: it made itself felt.²

The Wriston Committee had its first meeting on the day it received its franchise from the Acting Secretary of State, March 5, 1954. Seventy-five calendar days later, after 15 meetings of the full Committee and much productive sub-group activity, Mr. Wriston delivered to Secretary Dulles the Public Report of his Committee³ (as distinguished from the Action Report, to be discussed later in this paper), on May 8, 1954.

"Toward a Stronger Foreign Service" is a spirited, persuasive, sometimes scolding and always eloquent essay of 55 pages with brief appendices. Its findings and recommendations struck the Department of State and the Foreign Service with force, producing wide changes at once and perseverating tremors detectable 20 years later. Wriston advocated two major changes (integration of personnel, and scholarships supporting college-level preparation for foreign service), and 17 sec-

ond tier recommendations, which were nevertheless important ones. The recommendation to integrate Foreign Service and Departmental personnel where they converge was put into action at once; the recommended scholarship program (requiring legislation) never got to the Hill. Of the other recommendations, 14 were accepted by Secretary Dulles and promptly put into action.

Of the entire series of studies, the Wriston one must stand near the top when judged by percentage of recommendations adopted and by its own economy of time and money. Can anything transferrable be learned from it?

THE TIME WAS OPPORTUNE

The changes the Committee would bring were overdue. World War II in Europe had ended ten years before, and the Cold War was persisting. The McCarthy phenomenon had come and was finally over by 1954, though wounds it left were raw and the Foreign Service was reeling. The Foreign Service Act of 1946 had by then been on the books for eight long years, the First Hoover Commission had made its recommendations five years before, the Rowe Committee four years earlier. Dean Acheson had been Secretary of State from 1949 until the Truman Presidency ended in 1952, and was succeeded by John Foster Dulles, appointed by President Eisenhower. The Foreign Service was diminished when world demands for diplomacy were sharply mounting.

The temporal context can be seen as going back about ten years, with the certain relevant features as telegraphed in the preceding paragraph. Where to stop looking back is arbitrary, because some of the organization and personnel problems of the Foreign Service, which were peaking in the early fifties, had actually been there since the Nation began. "Re-Americanization" is an example: the concept and the term go back at least to the Presidency of

¹John Elting Treat, "Survey of Previous Reports on Organizational Reform in the Foreign Affairs Community", Commission on the Organization of the Government for the Conduct of Foreign Policy, June 1954.

²John E. Harr, *The Anatomy of the Foreign Service*, (New York: Carnegie Endowment for International Peace, 1965), p. xv.

³"Toward a Stronger Foreign Service", Department of State Publication 5428, Department of State, Washington, D. C., June 1954.

George Washington. The reason this early item is included here is not just that it is true in an historical sense but because Henry Wriston, the historian, knew it,⁴ had been interested in it for some time, and thought it was an important problem that had to be coped with.

Early America changed so rapidly that her envoys abroad soon felt out of touch, and needed to be re-Americanized. In support of this belief, Henry Wriston told this anecdote: "Thomas Jefferson had a firsthand experience which convinced him of its necessity—'When I returned from France, after an absence of six or seven years, I was astonished at the change which I found had taken place. I found myself not at all qualified to speak their sentiments or forward their views.' Jefferson wrote to a fellow diplomat: 'We return like foreigners and, like them, require a considerable residence here to become Americanized. Very soon, therefore, after entering on the Office of Secretary of State, I recommended to General Washington to establish as a rule of practice that no person should be continued on foreign mission beyond an absence of 6, 7 or 8 years. He approved it.' Every Act since has required it."

Henry Wriston, in the first part of his long career, was a ranking scholar and teacher of American history, especially strong in international relations. He may very well have understood more about the evolution of American foreign policy and the development of American institutions (governmental and private) for formulating foreign policy than the chairman of any similar reform committee. He was thoroughly involved and deeply interested, professionally and personally.

Wriston was motivated to apply strong measures to improve the State Department's personnel systems, not because he assessed individual officers unfavorably. He knew very well that the Foreign Service had been punished for foreign policy failures when White House and Departmental leadership might well have shouldered the blame. In his words, "When any national policy suffers a conspicuous set back, there is certain to be a hunt for scapegoats upon whom the blame for the disaster can be loaded . . . In the United States a natural target in any search for causes of disaster was the Department of State and the Foreign Service."⁵

Once in a lecture at the Associated Colleges in Claremont, California, Wriston set up his audience by reading the following newspaper excerpt: "The Service believed itself suspected by a large part of the public . . . It is often represented as inefficient and overpaid, divided into cliques, out of touch

with the times, ignorant of the countries with which it is supposed to deal, spending its time at cocktail parties, meeting the wrong people, obsessed by pension prospects, its members bound together in a trade union whose main rule is that all should stand defensively together against the public and that the inefficient and unworthy should never be heavily penalized . . . Not enough room is made for expert economists."⁶

The source was not *The Washington Post* but the *Manchester Guardian*, in an article about the British Foreign Service.

The chairman of the Wriston Committee not only brought historical perspective to his role; he came also with a purpose. Wriston was predisposed to provide strong reform measures because he believed that literally everything was at stake: "Since the powers of the principal protagonists are so nearly in balance, the answer to the question of peace or war must rest with diplomacy, which thus becomes decisively important . . . The disappearance of the possibility of bipolarity has not simplified diplomacy; on the contrary it has brought to the surface tensions and difficulties which had heretofore been latent and submerged . . . this lays upon the diplomat new tasks of almost unique subtlety and complexity."⁷

The key legislative event had been the Foreign Service Act of 1946, intended to insure readiness for coping with the post-war world. Fabricated and assembled largely within the Department of State, its provisions reflect a struggle between progressive thinking toward increased competence in the face of new challenges and a residual determination to retain the dimensions and values of the old Foreign Service. There is no provision for amalgamation of impure bodies with the Foreign Service corps, but the Act did provide: (1) rotation of Foreign Service officers, (2) the Foreign Service Institute for career development, (3) a Foreign Service Reserve for specialists for limited periods, (4) a Foreign Service Staff category, (5) a procedure for promotion-up and selection-out, and (6) membership for Agriculture and Commerce on the Board of Foreign Service.

THE STIMULUS FINALLY TO ACT

The Act of 1946 had been auspicious, but effectuation was to prove disappointing. The rotation of Foreign Service officers between foreign and Washington assignments did not increase at all, much less achieve the ratio stipulated in the Act (three years in Washington out of the first 15 of service).

⁴Henry M. Wriston, *Diplomacy in a Democracy*, (New York: Harper Bros., 1956).

⁵*Ibid.*, p. 5.

⁶*Ibid.*, p. 53.

⁷*Ibid.*, p. 10.

The Foreign Service Institute, after promising initial growth, was cut back drastically,⁸ so that it was unable to rise beyond providing orientation to procedures and teaching foreign languages. Recruitment by examination into the Foreign Service officer corps faltered until 1952 and then stopped dead. It was as if leaders and planners for the Foreign Service, after being humbled by Senator McCarthy, raked by successive security campaigns, and cut in budget by 22 percent in 1952, could bring themselves to believe only in the possibility of bare survival. Future growth must have seemed entirely out of the question.

In 1947 and '48, Assistant Secretary John Peurifoy marched up the amalgamation hill and then down again.⁹ In 1949, the Hoover Commission found cleavage to exist between the Foreign Service and Departmental personnel and, as a corrective, recommended consolidation into a single service (except for a few occupational groups).

Although Secretary Acheson did adopt some of the Hoover Commission recommendations, he did not consolidate personnel systems. Instead he bought time by requesting James Rowe and his committee to make a careful study of how best to accomplish amalgamation. After thorough study, the Rowe Committee recommended a strategy involving gradualism, over many years, and a "grandfather" provision to save some in the Departmental service from foreign assignments. Some personnel improvements were achieved, but again the big one got away.

Think about how the nations of the world changed between 1946 and 1954; then consider how the U. S. Foreign Service resisted change, time and time again. The pent-up demand for

⁸FSI was reduced in staff from 64 in 1952 to 28 in 1953, when Scott McLeod was in charge of State's budget. Several of its most promising faculty transferred in a group to the University of Buffalo, where they created an innovative program combining anthropology, area studies, and linguistics.

change became more imperative with the failure of each successive effort to change the system. When the turn of the strong Wriston team came, some kind of responsive action could no longer be denied.

THE COMMITTEE'S METHODS

The formation of the Committee is accredited first to General Walter Bedell Smith, Under Secretary of State and sometimes Acting Secretary. It was he who approached Wriston, obtained his agreement to be chairman and also put forward Carter Burgess as Staff Director.

Remember that this was "the Secretary of State's Public Committee on Personnel"—all of its members, as General Smith planned it, were to come from the Public, none from Government, in contrast to the White House group of federal personnel directors working under Henry DuFlon on personnel policies and practices in all federal overseas programs. Shown on the following page is the full roster of the Committee with consultants and staff.

Although all members were from outside of government (except the *ex officio* members), all of them, except the chairman, had earlier held relevant leadership positions in one or more parts of the government; indeed three had served as Assistant Secretaries of State.

All members were active in distinguished careers and took time out from top responsibilities in business and education to serve almost full time on the Wriston Committee for two and one half months. All were men of strong personalities, accustomed to shaping policies and using executive authority in large and important organizations.

Interview with Robert B. Freeman, Acting Director of FSI in 1953, Staff member of Wriston Committee, and later of DuFlon Committee in 1954.

⁹Arthur Jones, *Evolution of Personnel Systems*, (New York: Carnegie Endowment for International Peace, 1965), pp. 51, 52.

**THE SECRETARY OF STATE'S
PUBLIC COMMITTEE ON PERSONNEL**

MEMBERS

Norman Armour, Foreign Service Officer, retired
former Assistant Secretary of State, and former Ambassador

John A. McCone, President
The Joshua Hendy Corporation, Los Angeles and former Under Secretary of the Air Force

Robert Murphy, Ex Officio Member
Deputy Under Secretary of State

Morehead Patterson, Chairman and President
American Machine and Foundry Company, New York

Donald Russell, President
University of South Carolina, and former Assistant Secretary of State

Charles E. Saltzman, General Partner
Henry Sears and Company, New York, and former Assistant Secretary of State

John Hay Whitney, Vice Chairman of the Committee
Senior Partner, J. H. Whitney and Company, New York

Henry M. Wriston, Chairman of the Committee
President of Brown University

STAFF

Carter L. Burgess, Staff Director	Andrew B. Foster, Associate Staff Director
Philip H. Burris	F. Patrick Kelly
Howard E. Chaille	Charles H. Mace
Perry H. Culley	Dana Orwick
Robert B. Freeman	Bradley H. Patterson, Jr.
Paul Grabbe	Walter N. Walmsley
John W. Hanes, Jr.	

CONSULTANTS TO THE COMMITTEE

Walter J. Donnelly, Foreign Service Officer, retired
former Ambassador and High Commissioner

Charles J. V. Murphy, Board of Editors
Fortune magazine

The choice of Wriston as chairman was felicitous. It was as if by plan all stages in his professional and executive career had developed and equipped him to perform a brief role with high success. His knowledge and understanding of foreign affairs substance and institutions have been noted earlier. Just as important for a leader trying to change a system, he brought conviction and confidence that the Nation was still growing in its world responsibilities and that improvements could and would be made in the competence of its people and adaptiveness of its institutions, including the Department of State. He believed that "First class men want to deal with first class events",¹⁰ and that such events are now international, not solely domestic; and he came ready to shove destiny, if necessary, toward the changes he knew should be made. He had reputation, status, and established relationships in places of power. As chairman, he was stimulating, energetic, encouraging members toward consensus but insistent that work be finished and decisions be taken on time. The ingredient which gave the Secretary's Public Committee its individuality was Henry M. Wriston.

The hiring of the Committee's staff also achieved effective matching of talents with functions. The staff director, a confident man with uncommon dynamism, had already achieved notable successes in establishing important administrative mechanisms in State and in the White House. He was resourceful in methods and tactics, a perfectionist in delivery, and a persuasive presenter of proposed concepts. A man of unusual personal force, he was completely loyal to his leadership in this context as in all others.

The members of the staff were typically young (in their twenties and early thirties), and already equipped to cope with a big bureaucracy, particularly how to find and extract information in State and other agencies.

The two consultants who served the Committee were well chosen. Mr. Charles J. V. Murphy, borrowed from *Fortune* magazine, had proven himself as a clear and persuasive writer for a readership of intelligent, educated, broadly interested generalists. It was he who would contribute much to the readability of the Public Report.

The Committee's Format. The scope of the Committee's assignment, as expressed in its terms of reference, comprised six problem areas. Each of the six was assigned to one of the six Committee members, except for the chairman and for Mr. Murphy who was ex officio. Either one or two members of the staff were attached to each Committee member, forming six small teams, each responsible for fact

finding and formulating recommendations in a single area.

All team members met in plenary sessions chaired by Wriston to share information, discuss tentative recommendations, and work toward consensus on final recommendations.

This design for work had several apparent advantages: (1) it involved all Committee members actively in the total work process rather than having them simply sit as appraisers of data and alternatives conceived by the staff, (2) working on all problems simultaneously made for fast action, which the Committee's schedule required, and (3) the brevity of the Committee's life made it tolerable for its busy members to devote more consecutive time to the project than they otherwise could.

This method does presuppose competence and interest on the part of each Committee member (staff members can be changed en route, if necessary). It also presupposes a strong and skillful chairman who can obviate logrolling or mutual backscratching and achieve genuine final agreement among members.

Carter Burgess was so pleased with the results of this Committee method that he chose to use it in a number of subsequent situations, successfully. Burgess was also the source of other successful tactics, including the Action Report and oral presentation to the Secretary. The Action Report, in a single binder, was designed for the eyes and hands of the Secretary of State; it summarized the need and gave the recommended corrective for each problem. More important, it also contained an action document corresponding to each recommendation, ready for Mr. Dulles' signature. These were directives and memorandums of assignment. He did approve almost all, and within a very short period.

A set of 36 visuals was designed and used in an oral presentation to the Secretary, made with great effect by Carter Burgess, with the full Committee present. The Public Report, tendered to the Secretary, was intended for all in the Department, in other parts of the government, and all interested members of the Public, then and as a continuing exhibit. The oral presentation was to win approval and permit clarifying any last minute cloudiness or doubt. The Action Report was to enable the Secretary to act out at once the approvals he would have made, before they could be eroded by subsequent events.

Fact Finding Methods. On the day of its first meeting, the Committee already had received a set of well-done background reports supplied by the Department, including earlier committee reports and summaries of them. The Committee conducted hearings and interviews. It also asked Ambassadors and mission directors, by means of a letter from

¹⁰op. cit., p. 32

Wriston, for their views on problems and their suggested solutions; and received replies from 40, for the most part thoughtful and several pages in length.¹¹ (These letters provided one basis of Mr. Wriston's belief that many senior FSO's were not opposed to integration of personnel systems.)

The Committee conducted no research and contracted for none. It created and left behind no new knowledge uncovered by current studies such as historians do, nor any compiled by public administration or political science methods in test of explicit hypotheses, nor any by polling of sampled populations (except the letters to Ambassadors) or by laboratory studies of employee behavior and attitudes. Its methodology did not provide for participation in the study by many of the State Department officials and employees who would be directly affected or would be responsible for implementation.

The Committee, however, did maintain effective liaison with outside points of interest and influence. Both General Smith and Mr. Wriston stayed in touch with relevant Congressional committees, keeping their interest and confidence in the Committee's progress. The Committee was aware of the thinking and progress of the White House inter-agency group which was trying to bring about greater uniformity of personnel practices among all federal agencies with overseas elements. Under the titular chairmanship of Philip Young, Personnel Adviser to the President, the group received actual leadership from Henry DuFlon, who was invited and did attend many meetings of the Wriston Committee. Also, Carter Burgess and DuFlon frequently met informally to exchange notes on new developments.

Follow-Up by Wriston. One feature of the Wriston methodology,¹² perhaps a most significant one, has received scant attention in the literature: during the first year-and-a-half of implementation, the Wriston Committee made three follow-up visits to the Department at the Secretary's invitation. What they observed and how they evaluated their findings was reported by Mr. Wriston to the Secretary, and perhaps beyond Mr. Dulles. Mr. Saltzman clearly remembers one luncheon with President Eisenhower where Mr. Wriston, Mr. Armour, Mr. Murphy, and perhaps other Committee members were present. This kind of topside visitation provided support for the integration process, far offsetting

group pressure mounted inside to curb or reduce integration.

RECOMMENDATIONS MADE AND ADOPTED

The Committee, in its terms of reference, had been asked pointedly to review past recommendations for "the merging of Departmental Civil Service personnel into the Foreign Service to the end that the Department and its establishments abroad may be staffed to the maximum possible extent by career personnel, specially trained for the conduct of foreign relations and obligated to serve at home or abroad, thus providing a stronger and more broadly based Foreign Service."

There was no mistaking where the Secretary's emphasis was placed: strengthen the Foreign Service personnel and do it in part by folding in the Departmental Civil Service personnel, but also study all aspects of Foreign Service personnel for improvement opportunities.

The Committee's recommendations were perfectly responsive—squarely on target. The foremost recommendation matched the priority item in the terms of reference.

In its letter of transmittal to the Secretary, the Committee (all members signed) said, "(1) . . . integrate the personnel of the Department of State and of the Foreign Service, where their official functions converge . . ."

The Committee went on in the body of the report to specify step by step, one, two, three, what actions the Department would take to achieve integration. Nor did the Committee stop there; they prepared directives for Dulles to sign, instructing his staff to take the actions needed for integration and placed these before him in the Action Report. Not much was made to depend upon the tractability or resourcefulness of Departmental staff down the line in making successful linkage between Secretarial approval and effective action. And Dulles signed.

So much action flowed from the integration recommendation and so much attention was drawn to it that the other effective recommendations are usually under-reported, and are sometimes forgotten. We will return later to the results of integration, but let us quickly review the other effective recommendations, function by function.

Training. Wriston himself was particularly concerned about the nadir to which the FSI had been plunged. Charles Saltzman thought that training and career development deserved priority at least equal to recruitment, as did Donald Russell, who, within the Committee, was responsible for the training function. The Committee decried the low

¹¹The writer was given access to copies of the Ambassadors' replies, in the personal archives of Robert B. Freeman, who had been a member of the Wriston Committee Staff.

¹²State Department files show that the Wriston Committee made follow-up visitations in October, 1954, March, 1955, and December, 1955, each time giving the Secretary written reports, the last assuring him that implementation was well on its way to completion.

organizational placement of the FSI, took issue with abuse it had been sustaining, judged its budget inadequate, and castigated the Department for not having informed the FSI of the Department's career training needs and the FSI for offering a pedestrian program limited to languages and procedure.

As a direct result of Wriston recommendations, again spelled out in action documents for Dulles' signature, the Department made significant changes:

1. Additional funds were provided.
2. FSI was caused to report directly to the Deputy Under Secretary for Administration.
3. A new Director was appointed.
4. A new advisory council was established, and has functioned effectively, unlike its predecessor, which never met.
5. The curriculum was expanded and made relevant to current needs.
6. The number of students from other agencies was increased, and closer relationships were developed with universities.

Certainly there have been subsequent criticisms of the FSI, but the steady curve of improvement over the past two decades began with Wriston. It is acknowledged generally that the FSI, by its own courses and those arranged through colleges and contractors, has made essential contributions to professional and managerial development in the Department. For example, its 26-week Economics course is judged¹³ as valuable for State Department careerists as education of comparable length in the best university Economics Departments.

Assessment of Personnel Needs. The Wriston Action Report included a memorandum from Dulles to the Deputy Under Secretary for Administration instructing him to establish a personnel policy unit responsible for estimating personnel needs and advanced planning for meeting these needs. Mr. Dulles so ordered. The Department thereafter established a personnel inventory system¹⁴ for mechanically recording position requirements and individual employee qualifications so that matching could be done quickly when necessary. A manpower planning program was not fully achieved by this effort, but a beginning was made so that subsequent efforts had a point from which to start.

Junior Officer Recruitment. In its Action Report, the Committee was explicit about actions required:

1. Process the large backlog of eligible candidates.

¹³Subjective judgments expressed in interview with State Department, OMB, White House, Civil Service Commission representatives and former participants.

¹⁴Arthur G. Jones, *The Evolution of Personnel Systems for U.S. Foreign Affairs*, (New York: Carnegie Endowment for International Peace, 1965).

2. Establish planned levels of recruitment, with quotas based on population by states.

3. Shorten, modernize, and accelerate recruitment procedures and de-centralize examinations.

4. Seek legislation authorizing a scholarship recruitment and training program.

5. Establish positive, equitable lateral entry policies and procedures.

The backlog of eligible candidates was quickly cleared up. The Foreign Service written examination was revised to be given in one day, and it was administered in many more places throughout the country and at points abroad. The number of universities and states or residences from which candidates came increased sharply. In less than five years, more junior officers were recruited than there were Foreign Service officers in the whole cadre in the spring of 1954, when the Wriston Committee went to work.

Personnel Assignment Program. The Committee recommendations were to:

1. Develop long-range estimates of personnel requirements,
2. Develop a career management program, providing planned sequences of training and operational assignments, and
3. Establish an orderly system of rotation between assignments abroad and in the Department.

The Secretary approved, and the Department made efforts to follow through. A Career Development Counseling Staff was established (two years later) and attempted to lay out career plans six years ahead for each officer in consistency with service-wide personnel requirements and with the officer's interests and development needs. It is not surprising that this effort was less than a resounding success. Career assignment programs are easier ordered than done. It is not quite as extreme as ordering the staff to come in next week speaking Swahili, but there is some resemblance.

With this as one example, the hypothesis is suggested that many failures to implement new things that have been ascribed to bureaucratic inertia might better be interpreted as due to lack of adequate concepts, methods, and skills. Such lacks are often due to shortage of funds to buy the necessary skills, but, in some cases, the state-of-the-art may simply not be up to the job.

Promotion and Separation. The Action Report minced no words in telling the Secretary what needed doing:

1. Provide proper promotion procedures for an enlarged FSO corps.
2. Provide machinery for equitable consideration of promotion of Department personnel.

3. Adopt a positive policy for accelerated promotions where warranted by unusual circumstances or especially meritorious service.

4. Establish effective administrative methods for separating for cause.

5. Obtain legislative authority for selection-out of FSO-1's.

6. Institute equitable procedures for applying selection-out under the integration program.

The Secretary admonished selection boards to give full weight to specialized competencies as well as to training assignments. Selection-out was to be based principally on marginal performance and was extended to include FSO-1's. Efforts were made to improve the quality and completeness of performance reports, particularly on newly Wristonized officers. It can be seen in the pattern of the foregoing Committee recommendations that the different personnel sub-functions were not being dealt with in isolation but as part of a system in which integration could succeed. Now we come back to integration as the preeminent recommendation.

The Integration Program. The Action Report provided the following sequence of actions (some recommended in other sections) to effectuate integration:

1. Designation of "Foreign Service" positions in the Department in Washington to be staffed by FSO's.

2. Transfer of qualified and willing Departmental, Reserve, and Staff officers to the FSO corps under liberalized entry process—within two years.

3. As a general rule, Departmental officers holding "Foreign Service" positions, unqualified or unwilling to transfer, should within three years be moved to non-Foreign Service positions in the Department or assisted to find other employment.

4. With rare exceptions, all new designees to "Foreign Service" positions will be required to serve at home and abroad.

5. Seek two specific amendments to the Foreign Service Act of 1946: (a) to provide that lateral appointments to the FSO corps may be made to salary rates within the class rather than only to the minimum rate, and (b) to authorize the Secretary to waive the four-year limitation on assignment of FSO's to positions in the U.S. where continuity or other compelling reasons require longer assignment.

Implementation was vigorous. About 1500 positions located in Washington were designated for occupancy by Foreign Service personnel. Within the two-year period specified, ending August 1, 1956, almost 600 Civil Service employees of the State Department in Washington and more than

700 Reserve and Staff personnel (mainly in posts abroad) had been integrated. The total cadre of FSO's had been more than doubled by this infusion process. In March, 1954, there had been only 1285 FSO's in total, everywhere. By June, 1958, the total had almost tripled, reaching 3432, due entirely to two Wriston recommendations: integration and vigorous junior officer recruitment.¹⁵

Integration had at long last been brought off, and without a new law, although a few amendments were obtained in the Foreign Service Act of 1946. The process of designating positions and reassigning people was far from perfect in execution. Many errors of fact and judgment were made, only some of which could be and were corrected. But the job was done. In the long view, the action taken is now generally rated as beneficial, some even saying it may have saved the very existence of the Foreign Service.

THE FEW RECOMMENDATIONS NOT ADOPTED, AND WHY

This section can be appropriately brief. The recommended scholarship program for supporting prospective junior officers during the last two years of college was put in the form of a legislative proposal but was stopped at the Bureau of the Budget and not subsequently fought for by the Department. Its essential objective was achieved later by wider and better recruiting programs.

The recommendation that recruiting of junior officers be done on a state quota basis would have caused an administrative mess, slowing down the recruitment-appointment process when it needed to be expedited. The Department wisely eschewed this one. The objective was achieved by positive recruiting. The Department also shunned the harsh Wriston suggestion that Departmental officials in jobs designated Foreign Service but immobilized by family circumstances, be transferred to non-Foreign Service positions or out-placed.

WHY WERE MOST WRISTON RECOMMENDATIONS EFFECTUATED?

It may be that Wriston's success came from a combination of positive ingredients rather than from one or from simple addition of several; nevertheless, the ingredients can be examined individually.

The Peak of Readiness Had Arrived. Impatience had

¹⁵John E. Harr, *The Professional Diplomat*, (Princeton: Princeton University Press, 1969), p. 47.

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risen to anger on the Hill. The Secretary wanted action and was quite willing to back it up. There was no significant opposition from outside the State Department: none from the Bureau of the Budget nor from other Departments and agencies. Even the Foreign Service contained many respected members who realized the time had come for integration. Opposition had all but disappeared.

The Power of the Committee and Its Staff. Wriston was a productive chairman for many groups and subjects. This talent later became widely known as a result of his virtuosity as chairman of American Assembly meetings at Arden House. In the Wriston Committee, where he had both mastery of the substance and also deep dedication to the improvement of the Foreign Service, he must have been at his best.

Committee members as individuals were strong—the kind of men a Secretary might pass over if he were not sure he wanted real action at the end.

Beyond their assets as individuals, however, were the relationships among the principals. When President Eisenhower was in North Africa as Commander-in-Chief, Walter Bedell Smith was his Chief of Staff; Robert D. Murphy was Political Advisor to General Eisenhower with an office next to General Smith; Carter Burgess was a young Colonel in charge of staff work and the secretariat for the joint staff, and later, at Eisenhower's request, had set up the Cabinet Secretariat in the post-war White House.

It was John Foster Dulles, himself, who first thought of Wriston as Committee chairman. The connection? Wriston had been a trustee of the Carnegie Endowment for International Peace from 1943 to 1954 and a leader in foreign relations policy shaping organizations in which Dulles also had been active. They were not personally close to each other and sometimes differed and clashed openly; but each held the other in high respect.

Individually these gentlemen each had a measure of power, but together as a team they simply overmatched any opposition to changing the Foreign Service.

Tactical Effectiveness. The Wriston show can be viewed as a superb piece of staff work. There were no weak segments to break, no loose ends to unravel. The Public Report is one of the most readable and persuasive of all the Committee reports. The format of the Committee worked to extract the best potential from its members. The presentation to the Secretary was carefully perfected and delivered with confident persuasiveness. The Action Report, complete with directives to be signed, is due a part of the credit.

The tactic of follow-up by the full Committee during the period of implementation was a clincher. It backed up the implementers with influence far in

excess of any that could be mounted by any resistance elements.

Worthiness of the Implementers. Implementation was not left in uncertain hands. Charles Saltzman himself went from the Committee to the post of Under Secretary for Administration, where he personally established and supported well-led implementation teams for seven months from May 1954 to December 31, 1954.¹⁶ He was then succeeded by Loy Henderson, who served as Deputy Under Secretary for Administration from January 1955 until implementation was completed and thereafter until 1961.

Both men were secure in their roles; both believed the changes they were causing would be advantageous to the Foreign Service, to the Department, and to the United States. Both had repeatedly been cited and honored for meritorious performance in roles of high responsibility; both stood high in the confidence of the Foreign Service and of all other employees of the State Department.

Wriston himself took a place on the FSI Advisory Council set up by his Committee to stimulate and guide continuing efforts to improve the Institute.

LESSONS LEARNED FROM WRISTON

A first reaction could be that the context of Wriston was so unusual, the pressure generated by past failures was so irresistible, that no future situation could be similar enough to benefit from its experience.

On the other hand, it is instructive to note the great care taken by the Wriston Committee, even though the situation seemed all in their favor. They realized that an apogee is a point soon passed, and a ripe situation can sour; so they acted quickly and did not risk any weak elements that would need to be compensated.

Merging Personnel Groups Takes Time. Whereas the main result of the Rogers Act of 1924 was merging of the Diplomatic Service and the Consular Service, the main accomplishment of the Wriston changes of 1954 was integration of the Foreign Service and the Departmental Service. Neither conjunction was achieved with instant harmony. Both were followed by periods of seeming incompatibility which took many years to smooth out. Perhaps this consequence is suspected by some Secretaries of State, causing them to invest in shorter term improvements which may pay dividends while they are still incumbent to enjoy them.

Sources of Motivation. Two of the men who played critical roles in causing Wristonization, Robert

¹⁶Undersecretary for Administration was a unique post provided by the Congress specifically for the implementation purpose and limited in duration until December 31, 1954.

Murphy and Loy Henderson, had similar experiences in their early careers: both had taken the Consular examination, made high marks, and entered the Consular Service as vice-consuls; and both became FSOs as a result of implementation of the Rogers Act in 1924.

Both knew from experience that some who had come in as consuls never subsequently had any other kind of assignment, and continued to be looked upon as second-class FS by the true elite. They had seen years pass before it became ordinary career practice to move back and forth between consular and diplomatic assignments. Both became so preeminently successful that they could feel no inferiority from their consular beginnings. Both rose so high in the trust and respect of their fellows that neither could remember any attempt having been made to use his less-than-ideal mode of entry against him in Departmental infighting.

It would be difficult not to hypothesize that Murphy and Henderson were motivated, not necessarily at the conscious level, to do all in their power to again bring about an integration process in 1954-55 similar to that by which they had become FSOs 30 years before.

Preemption and Time-Buying. These motives for authorizing reorganization studies are usually treated cynically. Perhaps instead they can be regarded as pragmatic alternatives which, on some occasions, may be the wisest choices available to the decision-maker. If Secretary Acheson did indeed have time-buying as a motive when he set up the Rowe Committee, who can be sure his judgment was unwise? He was able to increase the priority of certain organization changes recommended by the Hoover Commission, and thereby get them implemented.

In the long series of studies, there are a number where circumstantial evidence suggests preemption as a motive—doing a virtuous study before a rival does his mischievous thing. Secretary Rogers and William Macomber were able to get a license from the President to launch *Diplomacy for the '70's* before threatening studies by the Congress and other outside sources could get underway.

Was there an element of preemption in the motives behind the Wriston study? The White House Study, which had grander scope, had started sooner, but the Wriston Committee got its recommendations to the Secretary and he to the President and to Congressional committees before the Young-DuFlon group could win support¹⁷ for a single personnel system for foreign affairs employees. The President decided, advised by Dulles

¹⁷Actually, DuFlon thought he had received general approval from the President following a Cabinet presentation, and had obtained informal clearances on the Hill before the Wriston Report was made. Based on conversations Mel Spector remembers having with DuFlon soon after the events reported.

and Wriston, to table the bigger reorganization plan in favor of the smaller (State Foreign Service only), which was already causing turmoil enough; it was judged that a second bigger and more embracing set of changes in the foreign affairs personnel apparatus, concurrent with Wriston changes, would just be too much for the Congress to tolerate and the President to risk.

Although time-buying or preemption may be the main motive, a study may nevertheless be designed to achieve other valuable objectives. The Rowe Committee, for example, developed methods and tactics for personnel integration which were to be of great service when integration was approved during the following administration.

One inherent shortcoming of time-buying and preemption as real objectives is the awkwardness of ever being able to take credit for success, particularly if manifest objectives are not achieved.

Small Ideas and Old Ideas. It is a truism that localized changes within the authority of a single program head are easier to make than wide changes in complex systems requiring consensus among two or more independent authorities. Wriston versus DuFlon is an illustration.

The disadvantage of pecking away at little changes is that making little changes, particularly if they are somewhat beneficial, may push the grand change far into the distant future or entirely obviate it. Again, the success of Wristonization, which merely transferred State Department employees from one existing employment category to another, may explain in part why no progress toward a single system (applicable to State, USIA, and AID at least) has been made in the last 20 years.

Another uninspiring observation, based on the series of studies, is that no new idea or innovative program has a good chance of adoption the first time it is advocated. Reference to John Treat's summary of recommendations (related to personnel management) made by scores of successive studies reveals much repetition from study to study. All of the Wriston recommendations which were adopted had been recommended by earlier studies. In fact, the Committee's letter of transmittal to John Foster Dulles states straight out that, if the Department had acted in response to the Hoover Commission or the Secretary's Advisory Committee on Personnel in 1950, "much valuable time would have been utilized in developing the Foreign Service along the lines this Report proposes." That which was not new was adopted.

Conversely, that which was new was not adopted. The proposal to establish a college-level scholarship program to spread recruiting sources geographically and by economic level, though not completely new because it was patterned after the NROTC program, had not been recommended by

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an earlier study in relation to the needs of the State Department. It was the only major Wriston recommendation turned down. This argument hardly proves the case because it begs the question of the actual value of the scholarship recommendation. But this writer has been unable to cite an idea for personnel management improvement in the foreign affairs agencies which was adopted and effectuated upon first being recommended.

Changes Threatening Employees' Security and Life Style. Such changes have been seen as very difficult to effectuate. Integration was seen as unsettling to the life adaptation patterns of hundreds of employees and their families; and indeed it did require readaptation by hundreds. New adaptations, once achieved, were seen by most as positively developmental and advantageous to careerists as well as to the organization. But impending change is threatening, and the more nearly new the impending change, the greater the threat.

When impending change, like integration of Departmental careerists into the Foreign Service, threatens officers of quite high responsibilities upon whom the Secretary and top appointive executives depend heavily for program execution and with whom they have personal contact, it is understandable that even a strong Secretary might deliberate at length before decision. He might very well over-estimate the disturbing effect his decision will have, and defer it unnecessarily. This may have been true in the case of Secretaries of State before Dulles, as they put off the decision to integrate. Actual integration brought less overt resistance and caused fewer cases of unsuccessful readjustment than had been feared. Mr. Saltzman, who began the implementation, and Mr. Henderson, who completed it, both say now that they can remember very little resistance and only a handful of cases where acute problems occurred.

SUMMARY RE-CAP OF WRISTON EFFECTS

Evaluating effects in relation to objectives in the personnel field must be largely judgmental rather than quantitatively analytical, especially in a system as complex as the State Department, which is played upon by numberless uncontrollable factors, and whose program outputs themselves are so difficult to assess. Nevertheless, after two decades have passed, improvement trends can be better discerned and responsible executive judgments have moved toward consensus. The three pay-off questions, therefore, can be addressed with some confidence.

1. *What Were the Intended Effects of the Wriston*

Changes? The best known change associated with Wriston was integration or "merging of Departmental Civil Service personnel into the Foreign Service to the end that the Department and its establishments abroad may be staffed . . . by career personnel, specially trained for the conduct of foreign relations and obligated to serve at home or abroad, thus providing a stronger and more broadly based Foreign Service." Improvements were also sought in all aspects of Foreign Service personnel management.

The integration change was intended to: (1) increase the size of the FSO corps at once; (2) increase the frequency of exchanges between Washington and overseas assignments (re-Americanization); and (3) broaden the competence of the FSO corps, both by instant infusion of specialist talent from the Departmental Service and by increasing career development by giving FSO's a greater variety of assignments, particularly in Washington.

The other personnel changes were intended to improve the acquisition of needed staff, and the subsequent development, utilization, motivation and retention of that staff—all of these for the total effect of strengthening the performance of the Foreign Service.

2. *What Effects Were Actually Experienced?* The integration changes did in fact: (1) increase the size of the FSO corps by 100 percent within a two-year period, exactly as intended; (2) bring about more systematic and more frequent rotation of staff between Washington and overseas posts, as intended, and in accordance with the Foreign Service Act of 1946; and (3) broaden the competence of the FSO corps by lateral entry of hundreds of Departmental specialists.

Integration also had unintended effects: (1) the net number of specialists available for assignment everywhere was not increased because most of the specialists Wristonized were already available in the system—few were brought in from outside the Department either in 1954 or the following years; and (2) indeed, the net number of available specialists was actually reduced because many of those Wristonized transferred to overseas posts which did not utilize their strongest skills.

There were other unintended negative effects: (1) there were hundreds of poorly made assignments, only some of which could be corrected; and (2) inequities occurred in promotions and selections-out, which resulted in lingering ill-will toward the Department.

The many personnel and training changes generally had the effects intended. The Foreign Service Institute, for example, was given a reporting point several echelons higher in the Department, a much strengthened Advisory Council, and other changes

enumerated earlier—with the intended effect that FSI was saved from extinction and has continued to improve its outputs for the improvement of the Foreign Service. Junior officer recruitment was improved both quantitatively and qualitatively, so that the Foreign Service has never since even approached the low estate it reached in 1954. The Foreign Service Inspector General, given a higher reporting point, has since increased the management usefulness of its evaluations, as intended. The other personnel changes seem generally to have contributed to the kinds of effects intended.

3. *What Factors Were Responsible for the Actual Effects of the Changes?* All change recommendations involve a simple hypothesis: If change X, in fact can be implemented, management improvement Y will result, which will exceed in value the cost of making change X. Failure can come either from nonimplementation or from invalidity of the assumed result.

In the case of Wriston, implementation was substantially complete; and most of the assumptions about the effects of implemented changes, with time, have proved to be valid. An exception was the resulting decrease in specialists following integration—due mainly to the failure to compensate by adequately increasing lateral entry of specialists from the outside.

Wriston is sometimes faulted for not producing a foreign affairs personnel system of wider scope, but the Committee's charter precluded that accomplishment. The vigor with which it pursued its circumscribed objectives, however, now appears to have sidetracked the quest for a single system even into present times. It is arguable, but hardly subject to proof, that this drastic effect may in the long run have been too high a price to pay for the acknowledged benefits to the Foreign Service from the Wriston changes.

The Case of the Herter Committee, 1961-62

by William T. McDonald

HIGH POINTS OF HERTER

The first copies of *Personnel for the New Diplomacy*, the Report of the Committee on Foreign Affairs Personnel, were delivered to the State Department on December 8, 1962. Its publisher was the Carnegie Endowment for International Peace, under whose auspices the Committee had been established at the request of Secretary of State Rusk. The Report presented 41 recommendations of substance and two advising how to implement the others. Three major ones were for the purpose of strengthening the role of the Secretary and the Department of State in all aspects of foreign affairs, transcending the confines of personnel management. Others would establish compatible and interacting career systems in State, AID, and USIA, and bring about major improvements in all functions of these personnel systems, particularly wider and more diverse recruiting, personnel planning correlated with program planning and budgeting, career development, continuing professional and executive training, and a new National Foreign Affairs College at the graduate level. All were in consonance with the view that America's leadership role in the world would continue and become even more active, that the Secretary of State needed stronger provision for both formulating foreign policy and establishing and coordinating foreign affairs programs, that Ambassadors would indeed become the President's men in their respective countries. President Kennedy had been in office less than two years when the Report was completed.

"*This Report Will Not Go Unheeded.*" The contents of the Report were quickly flashed across the country. Big daily newspapers in scores of cities, on December 9, 1962, carried one and two and even three column stories under banners customarily associated with nationally significant news events:

"New Diplomacy Urged in State Department for a Changing World"—*St. Louis Post Dispatch*.

"Modernized Diplomatic Corps Asked"—*Los Angeles Times*.

"Career Setup Urged in State Department—AID and USIA included in Herter Plan"—*The Washington Sunday Star*.

"Major Changes in State Department Asked in Study"—*Niagara Falls Digest*.

"Major Changes Urged in Diplomatic Service"—*Milwaukee Journal*.

"Foreign Service Shifts Urged"—*San Francisco Examiner*.

Both the AP and UPI wire services had filed full and informative stories which were picked up widely. Coverage was so nearly complete that the absence of *The New York Times*, whose presses were stopped by a strike, was not a significant setback. Over a period of several weeks, follow-up stories gave more specific information about different portions of the Report, such as "New College for Diplomats" and "Study Group Calls for Career Under Secretary", and favorable editorials appeared in key newspapers. *The Washington Post*, as a notable example, predicted that "If the recommendations are put into effect, they may prove to be as important as the creation of the Foreign Service in 1924 and the further modernization of that service in 1946".

The initial printing of *Personnel for the New Diplomacy*, a book of 161 pages, was 6500 copies. This supply was exhausted so quickly that, within four days of the first delivery, 5000 more copies were ordered for delivery before the end of December.

After barely enough time for reading the Report, congratulations and praise began to flow into Chairman Christian A. Herter and Staff Director Frederick C. Mosher from key officials of the State Department, Foreign Service officers, active and retired, political scientists, and other scholars and professionals in fields related to government and foreign affairs, including some from other countries.

A top Budget Bureau official and former chairman of the Civil Service Commission wrote to express "his deep admiration for the excellence of the

Report, for the clarity of the recommendations it contains. In my judgment this report is a landmark".

The Dean of the Maxwell Graduate School, Syracuse University, on December 18, 1962, wrote to the Staff Director, "Dear Fritz: Let me tell you . . . how deeply impressed I have been by the quality of the report. This is a stunning tribute to your staff leadership and to your obvious diplomatic abilities . . . American international leadership can rise no higher than the quality of her foreign affairs personnel. The recommendations of this distinguished committee are at once imaginative, practical, and imperative."

The Secretary of State, himself, the Honorable Dean Rusk, upon receiving the Report, issued a statement saying, "... The importance of this undertaking cannot be overemphasized. The report will, in my opinion, focus the attention of the Department and related agencies, the Congress and the general public, on a subject of great importance to the national interest. The recommendations are of major significance . . . This report will not go unheeded."

Shadows of Obstacles Ahead. Well before Christmas 1962, it could be seen that the Herter Committee had a bestseller on its hands. More copies of the Report were distributed, by purchase, after the first wave of gift copies, than had been distributed following any similar personnel improvement study, with the exception of the First Hoover Commission Report on Personnel Management, which applied to the Government as a whole.

Having produced such a hit must have been quite gratifying to the Committee and staff members; nevertheless Mosher, for one, realized all along that applause for the report provided no basis for confidence that the recommendations would be approved and implemented. In a memorandum to members of the Committee, December 19, 1962, Mosher wrote:

"It is too early to predict with confidence what action may be taken on the recommendations in the report; the top officials in the Administration have so far been carefully noncommittal, and we have had almost no response from Congressional leaders other than thanks for sending the report . . ."

We have reason to believe the report will be supported in the Bureau of the Budget, although the top officers have been noncommittal . . . I suspect the response (from the Civil Service Commission) will be cool. Likewise, I have no information about the White House, except that the President, in releasing the Perkins Panel report on a Federal Affairs Academy . . . indicated general endorsement of the training proposal.

. . . The proposals about the Civil Service em-

ployees have already aroused opposition . . . and I gathered that there is difference of opinion in the State Department about the proposed Executive Under Secretary. The Foreign Affairs College . . . will almost certainly be resisted by some in Congress."

Mosher also cited some favorable signs not picked up in the foregoing quotation; but the sentences quoted show he did not underestimate the hazards of the uphill course which an implementation team would have to traverse.

The Congress had not been asked to endorse the study or provide it an appropriation. It had been funded entirely by three great private foundations: the Ford Foundation, the Rockefeller Brothers Fund, and the Carnegie Endowment for International Peace. Some members of Congress were already restive about the independent power being exercised by tax-free philanthropic foundations, particularly as their programs impinged on public policy issues. The Foreign Relations Committee in the Senate and the Foreign Affairs Committee in the House, particularly Senator Fulbright and Congressman Hays, had, on other occasions, never been particularly friendly toward any who volunteered, no matter how generously, to help improve public policy formation in their committees' areas of cognizance.

Not only was Congressional acquiescence yet to be won, but other reactions were not favorable. The employee unions had been left out of the Committee's array of witnesses and had become suspicious generally of the recommendations and hostile specifically to the idea of removing all clerical and other supporting staff from the security of the Civil Service system.

The Committee's earlier strategy had included an intention to produce a shorter, easy-to-read public report of 35 to 40 pages, analogous to the Wriston public report, to reach a mass audience within and outside the government; but, during the latter weeks, it had been decided to forego this tactic. Would this omission make any difference in public interest and support?

Success would require all links in the power chain to hold firm—the Senate, the House, the White House, the Secretary and Under Secretary of State, the top administrative team, the substantive Bureaus, the FSO cadre, and other organized employees.

The attention span of top supporters is inevitably brief: a year and a half had passed since the leadership of State had decided to establish a public committee which was to materialize as the Herter Committee. The minds of the President and the Secretary of State had been drawn inexorably to a continuous succession of international crises, each threatening national security. How much attention

would Herter be worth, comparatively? After all, other similar recommendations (the Young-DuFlon Committee, the Brookings 1959 Study, for example) had failed to retain top support and had fallen out of sight in the welter of competing events.

The foreboding expressed by Mosher in his December memorandum was not without basis in cold reality. The obstacles were in fact out there in objective nature, waiting.

Misfortunes and Frustrations. Any Committee hopes for full approval of its recommendations by the Secretary were deflated at the very beginning. At a luncheon in January 1973, set up in the Department where Secretary Rusk could respond directly to former Secretary Herter and thank him for the responsible service he had rendered and relieve him from further labors, Mr. Rusk disappointed some of those present by appearing to be less familiar with the contents of the Herter Report than he might have been. Much worse, he indicated he did not agree with the proposal to establish an Executive Under Secretary. Although he praised the Committee and its work, he did not seem to realize that, in proscribing an Executive Under Secretary, he was dislodging the keystone of the Herter structure designed to strengthen administration of foreign affairs programs. Pessimists could react to this behavior with deep discouragement; the Secretary did not set high priority on management improvement objectives and shared no real rapport with the Committee's leadership. Herter was not invited to return later to help or observe implementation in action. He did no further work in support of his recommendations nor did other Committee members.

Multiple changes in the top team in the Administration area of State handicapped implementation of the recommendations which were approved. When the Committee was being set up in 1961, the team comprised Chester Bowles, Roger Jones, William Crockett, and Herman Pollack. Bowles soon departed, George Ball replaced Bowles. Jones went back to the Bureau of the Budget in September 1962. William Orrick replaced him. Orrick assigned Herter implementation to Pollack; Pollack recruited Bernard Rosen as a key implementer. Orrick departed in early 1963; Crockett advanced to replace Orrick; Pollack was sent for one year to the War College; Crockett asked Rosen to become Director of the Office of Personnel, and he (Crockett) took over the difficult task of modifying and effectuating the Herter Committee recommendations. In addition to the disharmony implicit in the flux of personnel changes, time was slipping by; and the spirit of growing confidence in the country was soon to be cast down.

Time for President Kennedy was running out. In his young manhood, John Kennedy had acquired a

lasting empathy with the Foreign Service from frequent informal associations with the foreign affairs set, from his father, Ambassador Joseph P. Kennedy, and from frequenting embassies, particularly the American Embassy in London. In November 1963, almost a year after the Herter recommendations had been submitted for action, the bold international-minded President was shot and killed in Dallas; and Lyndon B. Johnson succeeded him.

Under President Johnson, Dean Rusk continued as Secretary of State and Crockett as Deputy Under Secretary for Administration. It was not until late in 1964, however, that Crockett was able to put together and recommend to the Secretary a coherent Departmental program for management improvement, composed partly of Herter components and partly of projects based on concepts to which Crockett had subsequently been attracted.

Although the main package of proposals, particularly those requiring legislation, did sustain delay, Crockett had quickly gone to work on one important Herter recommendation, number 3: establish a system "whereby foreign policy objectives are translated into programs of action to be undertaken in each area of foreign affairs activity, projected as far into the future as is feasible, and used as a basis for estimating future personnel and other needs in foreign affairs". He set up a small planning group which worked prodigiously from 1963 to 1966 to conceive and install a Comprehensive Country Programming System (CCPS). In addition to inherent problems which may have been insoluble, CCPS had the misfortune of finding itself on a collision course with Planning-Programming-Budgeting Systems (PPBS) ordered into being in all federal departments and agencies by President Johnson on October 12, 1965. When a mediation committee, chaired by Charles E. Hitch, finally decided CCPS should have the right-of-way, it was too late to regain momentum.¹

Crockett, in 1963 and 1964, also had been able to make many internal personnel management improvements which will be enumerated later; but the big Herter recommendations which needed to be sent to the Hill were put in one basket, entitled a Bill to Amend the Foreign Service Act of 1946, and known better as the Hays Bill of 1965, for Congressman Wayne Hays of Ohio, Chairman of the Subcommittee on State Department Organization and Foreign Operations of the House Committee on Foreign Affairs. Hays shouldered the Bill through the House, but it died in the Senate, where, early in 1963, Senator Fulbright had begun to show

¹Frederick C. Mosher and John E. Harr, *Programming Systems and Foreign Affairs Leadership*, (New York: Oxford University Press, 1970).

some unfriendliness toward the Herter and Perkins Committees' recommendations, partly because of what he called a piecemeal approach but also because of the autonomy sought for the Foreign Affairs Academy.² So died the bid for a coherent Foreign Service Personnel System, outside Civil Service, which had been initiated by Herter. Also lost with the Hays Bill were the liberalization of lateral entry, application of selection-out to the entire Foreign Service, and elimination of restrictions on the reappointment of FSR's.³

Rejection of the Executive Under Secretary concept and of the Foreign Affairs College, together with the foregoing Hays Bill casualty, can be interpreted as substantial failure of the Herter recommendations. But there is another way to look at the Herter story that has wider perspective and may be more revealing.

Survival and Influence of Herter Ideas. Among all the studies of foreign affairs personnel systems, Herter is the magnum opus. It was built upon a masterful research design, carried out thoroughly in accordance with professional standards, and reported fully in a configuration of publications consisting of the main report and six monographs of book length, each covering a separate facet of the total subject and presenting a wealth of data—new information created or gathered for the Herter Committee's use but too extensive to include in the main report. The monographs appeared as sequels to the main report.

It would be incomplete to limit analysis of the effects of the Herter study to the government's short-term acceptance and applications of its numbered recommendations. Rated on such implementation, Herter comes out no better than moderately effective. But the actual impact of the Herter literature has been pervasive, influencing most serious thought since then about improving foreign affairs organization and management. On the subject of "The Dimensions of the New Diplomacy", for example, Herter Committee thinking was sound and its rhetoric so cogent that its views have been influential over the past decade. Again, what the Committee had to say about the generalist-specialist question—that old bone of debate—was so edifying that it has cooled the controversy at the front and relegated it to the backwaters of thought on this subject, helping to focus future effort where it belongs: on systematic factfinding and analysis as the way for determining the personnel requirements for foreign affairs organizations. The day should be done for the armchair method of qualifications analysis.

²Hearing before Senate Committee on Foreign Relations 88th Congress, first session, April 4—May 1, 1963.

³John E. Harr, *The Professional Diplomat*, (Princeton: Princeton University Press, 1969), p. 87.

Many of the values and goals given expression in the Herter literature, though opposed by older FSOs in the early sixties, proved stimulating to younger leaders of the American Foreign Service Associations in the later sixties and became internalized in the credo of the Department as expressed in Macomber's *Diplomacy for the 70's*.

From the foregoing sketch it should be clear that any review of past studies for the better conduct of future ones, must include the efforts of Christian Herter and his committee. They produced and presented for future use more new knowledge and insights about the kinds and cultures of foreign affairs than all studies before them. Because of the defeats and reappearances as well as the considerable successes of their recommendations, they have lessons we must try to extract.

BACKGROUND AND CONTEXT

The year of 1961 began with a mood of exhilaration in Washington and across the country, with a rising confidence that great goals were no longer beyond aspiration and, in coming months, could be moved upon with chance of high success.

Against the background of the preceding eight years, the new President, the first American President born in the 20th century, appeared in bold relief with his readiness to incur the risks of positive leadership and to call upon all men and women and all ranks of citizenry to make sacrifices and to strive toward difficult objectives, at home and across the shrinking world.

Kennedy biographers have undertaken to analyze the especial appeal he possessed then, giving different weights to his different traits and features. One attractive explanation was expressed in a few words by Arthur M. Schlesinger Jr.: Kennedy was able to project "the hope that he could redeem American politics by releasing American life from its various bondages to orthodoxy".⁴ His much admired and widely emulated "coolness" came in part perhaps from rejecting stereotyped reactions to old problems, and from eschewing of time-worn verbal formulas in favor of fresh words of action.

The Time for a New Diplomacy. Before and after his election, Kennedy had been discussing the State Department and foreign policy development and coordination with university scholars, political advisors, and with colleagues and associates who themselves might be asked to serve as Secretary of State, or Under Secretary. Excitement heightened when time came for naming the Cabinet. Adlai E. Stevenson was still envisioned as an ideal Secretary by many admirers, although he had said he would not

⁴Arthur M. Schlesinger, Jr., *A Thousand Days*, (Boston: Houghton Mifflin Co., 1965), p. 71.

accept. Senator William Fulbright, who was known to be interested in the position and whose views of international affairs often coincided with Kennedy's, was thought to have the inside track. Chester Bowles, who was experienced both as an administrator (Office of Price Administration) and as a diplomat (Ambassador to India), thought of himself as a plausible candidate, and so did the President.⁵ These were men of known quality and strength, not timid with authority in their hands nor awed by prospect of changes to come. The latter two were destined to play roles, not necessarily affirmative, in relation to changes in the State Department during the Kennedy administration, though not as Secretary.

Kennedy appointed Dean Rusk, whom he had not known personally. Rusk was then President of the Rockefeller Foundation but had held a post in the State Department in the early 1950's—his credentials were entirely relevant and Kennedy advisers recommended him highly. A skeptical journalist, however, had tagged Rusk with these words: "There are two facts about Dean Rusk that are revealing . . . the first is that he was Assistant Secretary of State for Far Eastern Affairs during the Korean War. The second is that no one remembers it."⁶

Chester Bowles was so sure of Kennedy as an agent for change and so full of ideas for change, both in policy and administration of foreign affairs, that he hesitated only briefly when Kennedy asked him to become Under Secretary of State. The Cold War ideology, he thought, was simplistic, denying the policy formulators and the President access to the great range of policy alternatives that would be needed to make the most of the significant shades of difference in U.S. relations with countries in different regions of the world.

In an address before the Foreign Service in 1962, the President said a variation of what he had been saying before: ". . . The power and the influence of the United States are involved in the national life of dozens of countries that did not exist before 1945 . . . This is the great period of the Foreign Service, much greater than any period that has gone before. And it will be so through this decade, and perhaps even more in the years to come, . . . But it places the heaviest burdens upon all of you. Instead of becoming merely experts in diplomatic history, or in current clippings from *The New York Times*, now you have to involve yourself in every element of foreign life—labor, the class struggle, cultural affairs and all the rest . . . the Ambassador has to be the master of all these things, as well as knowing his own country."⁷

⁵Chester Bowles, *Promises to Keep*, (New York: Harper and Row, 1971), p. 299.

⁶Quoted by Chester Bowles, *ibid.*, p. 30.

⁷*Foreign Service Journal*, July, 1962.

As Under Secretary of State, Chester Bowles had been asked to focus first on improving organization and administration, in support of the New Diplomacy; and he turned at once with relish to gathering the very best team he could for this purpose. There follows a description he wrote later of the results of his recruiting: "Another post for which we were able to recruit an outstanding man was my Deputy Under Secretary for Administration. Roger W. Jones, head of the Civil Service Commission under Eisenhower and a Republican, impressed me as a liberal, imaginative and determined to pursue the more modern policies of placement and promotion needed both to improve the performance and morale of the Foreign Service and to attract and to hold outstanding young men and women. Rusk agreed, and Jones proceeded to bring in an able supporting staff including William J. Crockett and Herman Pollack. Together they brought a heretofore unequalled distinction to the Department's Bureau of Administration."⁸

The new administrative team, responsive to the leadership's goals and enthusiasm, generated a rush of program ideas to strengthen the Department in support of the New Diplomacy. They worked initially on a draft of what would become President Kennedy's letter of May 29, 1961, to all U.S. Chiefs of Mission abroad, giving them responsibility and authority for managing all of the operations of their missions, except those of command military forces. It was in this context of widening responsibility for Ambassadors, which would require them to receive much better information on foreign affairs programs in their countries, that first traces of ideas were glimpsed which later, with support from the Herter Report, would mature as the Comprehensive Country Programming System.

It was in this context also, in the Spring of 1961, that Jones, Crockett, and Pollack, mindful of the expanding requirements upon foreign affairs personnel systems implied by State's stronger role, sought ways and means they could recommend to the Secretary for achieving the personnel system best suited for coming needs and for obtaining whatever legislative authorization it would require. Mr. Joseph E. Johnson, President of the Carnegie Endowment for International Peace, who had served in a series of responsible posts in the State Department, was known to favor strengthening the American foreign affairs apparatus. Perhaps he would cooperate with Secretary Rusk, himself a former foundation executive, to bring to bear the best thinking available in the national community, outside the Government.

The idea of a public committee, funded by non-government sources, was proposed to Rusk, and he approved. Subsequently he persuaded Christian

⁸*Promises to Keep*, p. 309.

Herter, the former Secretary of State, to serve as Committee Chairman. William Crockett was assigned to work directly with Joseph Johnson, and, early in the Fall of 1961, there came into being the Committee on Foreign Affairs Personnel.

The decision to invite Dr. Frederick C. Mosher, Professor at the University of California, Berkeley, to be the Committee's Staff Director was made soon after Herter accepted the Committee Chairmanship. Mosher had been in Washington early in the summer of 1961, as a consultant in State, working with Pollack; in that connection, he conferred with George Gant, who was working on reorganization plans for AID, while on leave from the Ford Foundation. Mosher at that time began to think about the desirability of parallelism, if not integration, between the personnel systems of State and AID and perhaps other foreign affairs agencies. Before accepting the Staff Directorship, Mosher stated emphatically that he would not accept unless the study were directed not alone to State but also to AID, USIA, and personnel systems of other agencies involved in foreign affairs. Mr. Herter supported this position, and Mosher's stipulation was indeed reflected in the Herter Committee's Terms of Reference.

Studies That Had Gone Before. The Herter Committee staff did a thorough review of past studies and contributed valuably to the literature on this subject. One of the six Herter monographs, by Arthur G. Jones on "The Evolution of Personnel Systems for U.S. Foreign Affairs", provides a coherent history of reform efforts from the very beginning of the Foreign Service to the establishment of the Herter Committee. The realism of this monograph may be ascribable to the fact that Jones was a firsthand participant in as many as six formal studies between implementation of the Foreign Affairs Act of 1946 and Herter in 1962.

The Herter main report, *Personnel for the New Diplomacy*, also includes an Appendix Part B, a very brief summary of previous studies.

Two points will be underscored here with regard to past studies as they affected the work and views of the Herter group. The first is that Mosher and Jones, the Director and Associate Director, came to their roles as scholars and practitioners already quite sophisticated about what had gone before. They knew the nuances and inside lore as well as the surface record. They were, therefore, in a very good position to draw down lessons from past victories and defeats.

The second consideration is that past studies can be classified, among other ways, on the basis of scope: those focused on improvement of the Foreign Service officer corps or, at most, on State Department personnel, and those attempting to improve personnel management for all foreign affairs

programs, or at least USIA and AID as well as State. It was necessary to go back only to 1954 to cite classic examples of these two types, namely, the White House Task Force (Young—DuFlon) and the Secretary's Public Committee on Personnel (The Wriston Committee).

Both Mosher and Jones, while giving due credit to the Wriston Committee for effectively accomplishing its assignment, regarded that effort as fundamentally flawed by its terms of reference laid down by the Secretary. Wriston was constrained to limit his attention to the State Department, while the DuFlon Task Force addressed the entire problem of personnel policy and organization for the entirety of U.S. foreign affairs. The comparatively circumscribed recommendations of Wriston were approved by State and aggressively effectuated and, on balance, are believed to have benefited the Department. The effort entailed to collect the comparatively limited benefits, however, made it necessary for the administration to sidetrack the wider changes toward which DuFlon was moving and which had received the President's preliminary blessing. The unpublished report of the DuFlon Task Force, entitled "A Foreign Affairs Personnel System", had described a new system designed to integrate the present pattern for personnel management overseas. It would have struck a balance between career and program staffing, provided for lateral entry with status, covered all foreign affairs agencies, recruited persons willing to serve anywhere and separated persons unwilling to transfer overseas, put much greater emphasis on training, discontinued selection-out of good performers though they might not be promotable and would have created an Office of Foreign Affairs Personnel in the White House in order to avoid self-regulation by the foreign affairs corps.

Some of these features had been recommended by the Brookings Study in 1951 and still seemed quite attractive in 1961. The Herter Committee, with its wide charter, would have opportunity to give them careful reconsideration, along with other promising hypotheses.

In-and-Outers Versus Careerists. The Kennedy administration brought with it some attitudes toward federal careerists that were somewhat different from those of preceding periods when premium was put on the Senior Civil Service, as recommended by the Hoover Commission, and on executive development for federal careerists as emphasized during the second Eisenhower administration, following the passage of the Government Employees Training Act of 1958.

The early 1960's was to become the era of the in-and-outers—university faculty members and other professionals and scientists who wanted to be in the government but not of the government.

Their lasting loyalty or identification was in relation to their professions or to their scientific peers. Their connections with organizations were temporary and incidental. They denigrated government bureaucrats and organization men in general; their attitude was that men of talent and strength carried their security with them from one context to the next, not dependent upon any single employing organization. In Washington they came and went, as consultants, as contractors, as short term appointees. They regarded those spending lifelong careers in an organization or in a cluster of organizations as mediocre at best.

Many advisers in the White House and many top consultants and non-career appointees in the State Department brought in with them and candidly expressed such negative opinions of the competence of top federal careerists, including Foreign Service officers as well as other careerists in the State Department. Many elected officials came with somewhat similar attitudes. Other new administrations have been characterized by somewhat similar attitudes of doubt toward careerists found *in locus*; but there was a big difference in degree in the 1960's.

State Department managers in 1961 were constantly being put on the defensive by charges that their regular continuity-providing staff were not resourceful, flexible, or generally competent enough to perform in the way that the new administration and indeed the new times demanded. Pressure increased for more non-career appointments, more lateral appointments, and for hasty changes in the examination process and appointment procedures.⁹

The objective views of outstanding personages not of the government were needed to vouch for areas of strength in Departmental Administration, to lend their weight to valid improvement programs already conceived, and perhaps to recommend new improvement thrusts based upon new and relevant data the staff would gather for them. This is how the inside thinking went which led to establishment of the Herter Committee, and it helps to explain why the Committee was made up of private citizens and, as further mark of its "independence", why it was privately funded.

Objectives of Reorganization Studies. In most reform or improvement efforts involving the establishment of commissions or committees and the formal assignment to them of purposes and objectives, it is almost inevitable that there will be at least two levels or categories of objectives: (1) the *Manifest Objectives*, which are expressed overtly in the franchise or in terms of reference given to the group by the creating authority, and released publicly; and (2)

the *Implicit Objectives*, which do not appear in the franchise and usually do not appear in writing anywhere, except in internal planning memos never to be released to the public and perhaps not even to researchers later.

No comparative value judgement is being insinuated here to the effect that manifest objectives are only facades or that implicit objectives are either more genuine or more illicit than the overt ones. It is simply a matter of administrative strategy. Some objectives are more advantageously served by being made explicit, and some are better served by remaining implicit, by understatement, or by disarming guises.

While there are other explanations of why some objectives are made explicit and some remain implicit, one basic reason at least should be mentioned. The essence of any policy or organization is the distribution of power or authority it represents. Any significant reorganization or change in policy, therefore, jostles the present homeostasis of power and brings about a redistribution—some principals in the system get more, some less. It follows that objectives of reorganizations which would augment many members while diminishing few can be made manifest and thereby pick up support; those which would subtract from members who have power to counter, when aroused, can just as well remain implicit, or be muted, or be staged for appearance when offsetting changes can be offered.

Similar strategic considerations (when will it be advantageous to reveal one's complete position) also characterize most negotiating situations and parliamentary processes.

The Herter Committee's Objectives. Although the stimulus came from within the Department of State, it should be noted that the Committee on Foreign Affairs Personnel operated under the auspices of the Carnegie Endowment for International Peace, with facilitating cooperation from the Department of State. The terms of reference which stated the purposes of the Committee literally have no signatory as they appear in the report, so the authority behind them is not made clear. Similar information, however, was attached to the letters of invitation which went from Mr. Joseph E. Johnson to each Committee member. First the general statement:

"The purposes are to analyze and forecast as accurately as possible the United States Government's personnel requirements in the foreign affairs field over the next decade, and to strengthen the ability of the Government to find, develop, and make maximum use of personnel with the skills and talents required."

Then the following was said about scope: "The inquiry will focus on the personnel needs of the Department of State, both foreign service and civil service, the United States Information Agency, the

⁹Based on interviews between the writer and former State Department administrators, August, 1974.

several aid agencies, and other agencies within the Department of State. While it will not deal directly with personnel requirements in the foreign affairs field or other agencies . . . , it will of necessity give consideration to personnel problems having relevance to its central task."

In pursuit of its purposes, the Committee specifically was asked to evaluate and make recommendations on five problem areas:

1. Recruitment at the entrant level,
2. Recruitment at advanced levels,
3. Programs for career development,
4. Arrangements for in-career education and training at all levels,
5. Personnel administration of the Department of State and its relationship to those of the USIA, the several aid agencies, and other agencies within the Department.

The foregoing paragraphs convey the manifest objectives assigned to the Committee. They are general and inclusive. In paraphrase, the Committee was told to design an improved foreign affairs personnel system for the present and for the decade to come, considering all relevant information and relationships. A new era had arrived in which the American role in foreign affairs was greater and the role of State would be wider and more coordinative; new requirements called for significant changes at a time when such changes had a much better than usual chance for implementation.

The Committee also had important implicit objectives as mentioned earlier. In blunt terms, the Committee was entrusted with the responsibility of forestalling impetuous changes based on bias and incomplete understanding of the facts, which threatened the State Department early in the new administration of a party that had not held the Presidency for eight years. The Committee would fulfill this objective in two stages. First, simply by being in existence and in action directed toward the manifest objectives, the Committee would put the Secretary in a better position to beat off hasty and ill-based changes suggested by White House advisers and others with enough power to require Secretarial response. He could respond, "Your proposal is relevant and promising. I now have it under study by the Herter Committee; it would be premature for me to make changes before that distinguished group completes the thorough investigation it is making and gives me its recommendations."

At the second stage, the completed work of the Committee would protect the Department against disadvantageous proposals on a long term basis by virtue of being a thorough and objective investiga-

tion made by an impartial and non-parochial Committee of distinguished citizens. The Department could respond, "Thank you for your off-hand but drastic suggestion for improving the examination for junior officers. A thorough study of that procedure, as recommended by the Herter Committee, is now being conducted by the Department's Personnel Research Office with assistance from the Educational Testing Service . . ."

Mention needs to be made here of the fact that three of the Committee's recommendations seem to transcend personnel management, whereas its assigned objectives all relate to personnel management improvement. Did the Committee arrogate additional objectives to itself? The Committee did not think so. The non-personnel changes were essential in their view in order for the recommended personnel changes to be installed and well administered.

It is inevitable, of course, that "reform" Committees do create objectives for themselves apart from, but usually not inconsistent with, those assigned. For example, most Committees, certainly their Chairmen, want to develop recommendations that all of their members can support; minority reports are to be avoided, if at all possible, because the Committee's credibility, not to mention its impact, would appear to be undermined by internal disagreement. The single minority recommendation in the Herter Report, however, is somewhat of an exception to this generalization, because the minority simply came out for a more intensive or stronger form of that which the majority recommended, namely, to create a new post of Executive Under Secretary. Such a minority recommendation can function as an "asking price" out beyond the price established by the Committee majority and thereby increase the chances that the majority recommendation will be approved.

Committees also outline other objectives, only two of which will be briefly noted here: they want their recommendations to be heeded and put into effect, and they want their product or contributions to be worthy of public recognition. Space discourages any in-depth discussion of consequences of self-defined Committee objectives or other characteristics inherent in the large Commission or Committee format; suffice it to say only that the other features, as well as the projected objectives mentioned here, tend to make for unsurprising recommendations in line with established patterns rather than for shocking recommendations of a revolutionary kind. The larger and more representative the Committee, the less the chances are that its recommendations would revolutionize the present distribution of authority or functions.

THE COMMITTEE'S METHODOLOGY

The Herter Report, *Personnel for the New Diplomacy*, contains a succinct but complete exposition of its methods in Appendix A, pp. 131-140. A full description will not be repeated here, but certain of its features will be commented on, as they relate to the objectives of the study and when they have significance in relation to points of interpretation being made here.

The Time Dimension. The Herter Committee had a preliminary meeting late in 1961 and held its last meeting in December, 1962. While this period is longer than allowed for many studies, it seems to have been in proportion with the important objectives of the Committee and certain other considerations. The Committee, as we have noted, was committed to doing a thorough fact-finding investigation, covering a wide scope. The Committee was a large one and needed time for full discussion among its members, seeking recommendations all could agree on. A strong data base and Committee consensus were essential for meeting the implicit objectives, as well as valuable for achieving the manifest ones. When time-buying and preemption are implicit objectives, speedy completion of work is not a goal.

The danger of allowing a long span of time is the risk that the stage of readiness which stimulated setting up the Committee in the first place may have passed its peak or even transitioned into an actively hostile period. In the case of the major Herter recommendations, the long time for Committee work had added to it an inordinate amount of time before the Department presented the necessary legislative proposals, with the result that some ideas, which received support when the Committee recommended them in 1962, were not strongly supported before being tabled in the Senate in 1966.

Members of the Committee. The terms of reference had specified how the Committee should be constituted: "Chairman—the Honorable Christian A. Herter; a former Foreign Service Officer; a former non-Foreign Service Ambassador or senior State Department official; individuals having high-level experience with respect to overseas information, overseas aid, civil service and public administration, and overseas business; an educator; a former member of the Wriston Committee; and Carnegie Endowment Trustees."

All of these stipulations were met. Twelve members were appointed, counting the Chairman. Their names and the names of staff members, along with brief identifying information as given in the Report itself, are shown on the following two pages.

It can be seen that the Committee was a distinguished one, with high stature in the national com-

munity, and exceedingly experienced and well-informed about international affairs. It was well qualified in relation to the implicit objectives of the Committee as well as to the manifest ones. While no member was then in the government, most of them had been, and as many as seven had earlier held posts in the State Department. This was a Committee not calculated to be unfriendly to the Department; at the same time its breadth of experience and stature were such that a reasonable measure of impartiality could be imputed to it. The members had been well chosen.

Members of the Committee's Staff. The staff also was appropriately equipped for its job. The Staff Director, on leave from the University of California at Berkeley, was even then nationally known for his scholarship, research, and writing in the field of public administration; in addition, he had worked in government as an employee and as a consultant in the State Department, War Department, and other agencies. At Syracuse and at Berkeley, he was known for the research he stimulated and guided; and this talent was to show clearly in the planning, research, and writing reflected in the Committee's publications.

Commissions and committees, even large ones made up of many strong individuals, often acquire personalities or traits of style that mark them apart and distinguish them from similar groups; often such differentiating characteristics are traceable to one or two members. It was Wriston in the case of the Wriston Committee. In this case, the Staff Director was a major factor.

Fact-finding Methods. Hearings were conducted by the full Committee, but less than a score of individuals were heard in this way. Seven were from State, two from AID, two from USIA, two were Presidential assistants, one each from the Bureau of the Budget and the Civil Service Commission, one formerly of the CIA, and two from the Association of American Foreign Service Women. Except for the latter two, all were members of the Executive Establishment. There was no member of Congress or former member or Congressional staff member, no representative of the American Foreign Service Association, no spokesman for employee unions (the union locals in State and related agencies were small in 1962), and no representative from a Veterans organization and from a minority group organization, only two women from the AAFSW. The foregoing omissions were significant because some of the missing groups did rise later to oppose Herter recommendations. It is not implied, however, that their opposition could have been stilled merely by a preliminary hearing.

Interviewing by Committee members and staff, in accordance with the research plan, was a major fact-finding method. As many as a thousand interviews

were conducted in this country and abroad. More than 25 overseas posts were visited in Latin America, Europe, Africa, the Far East, the Near East, and South Asia. In addition to interviewing, staff members searched out needed data from State Department and Congressional archives and from current personnel statistics and reports. Supplementing staff research, nine studies were made by consultants engaged by the Committee.

The amount of information gathered was immense. More significant, it was acquired according to plan and put in order for Committee consideration; subsequently it was published and made available for future use. In this way, Herter has continued to be influential into present times, in the government and in the universities and wherever thought is being given to improving foreign affairs organization and policy.

RECOMMENDATIONS NOT IMPLEMENTED

Included here will be recommendations not approved by the Secretary as well as those accepted by the Department but not implemented because the legislation they required was never passed.

Actually the only recommendation disapproved by the Secretary was the important one, already noted, that would have created a third-ranking post of Executive Under Secretary. A related recommendation presented by the Committee was approved some time later: consolidation of the positions of Deputy Under Secretary for Administration and Assistant Secretary for Administration.

Why did Rusk reject the new third-ranking post that would have provided the Department with a "sustaining manager", who would coordinate the administration of all foreign affairs programs and whose important role in time would epitomize "administration" and elevate that function to membership among State's elite functions? Between 1961 and 1966 the White House, under both Kennedy and Johnson, challenged State to raise its executive performance in relation both to policy formulation and coordination, and to monitoring and coordinating overseas programs. Was he being over-protective of the status of the Assistant Secretaries and others who would have moved one step down in the hierarchy? Or, it could have seemed to him that going after such a position would seem like arrogation of authority somewhat beyond that which the Congress had been willing to concede to the Secretaries of State. The disapproval was only one item, but it was symbolic: it stood for a congenital disability of the Secretary or the Foreign Service officer corps, or both, to grasp executive power over foreign affairs policy and program, even when

doing so would have seemed to be in the national interest.

Another unanswered question is whether Chairman Herter had done any preliminary checking with the Secretary. Had Rusk appeared agreeable but changed his mind later? Had there been any checking of attitudes in the White House, or on the Hill?

Recommendations Killed in Congress. The major casualties will first be listed and then discussed briefly:

1. Establish a National Foreign Affairs College,
2. Create a "family of 3 compatible career services," and
3. Amalgamate all personnel into this new system, outside the Civil Service system.

A National Foreign Affairs Academy had been proposed in legislation in 1963 and defeated in the Congress. This particular Bill had been based on a proposal by the Perkins group, set up by the President, which included two Herter Committee Members, Don Price and James Perkins, its Chairman. One feature which contributed to its defeat was the rather extreme autonomy it sought for both teaching and research by the Academy. The corresponding College proposal in the Herter Report also envisioned a greater degree of academic freedom than Senator Fulbright and others on the Hill could quite accept.

Why could not the features of the proposed College, upon which there could be agreement, be accomplished through improvements in the Foreign Service Institute, already provided in law? The raising of this question on the Hill did, in fact, make it somewhat easier, subsequently, for the Department to increase the FSI budget and to make incremental improvements in directions suggested by the Herter recommendation. The stature of the FSI has now grown to a point that Committees corresponding to the Herter one are much less likely in the future to recommend that it be supplanted by a new College, though efforts will doubtless be made to extend its effectiveness even further.

The "family of 3 compatible career services", as recommended, was modified semantically as it appeared in the Hays Bill, to become a single foreign affairs personnel system, with full authority for personnel actions to remain in the three agencies. It was opposed by employee unions because it would take thousands of support employees out of Civil Service and into a new system believed to insure less security of tenure and by veterans organizations because the new system would provide no veteran preference. It was neither supported nor opposed in the open by FSO's, active or retired, but was sniped at by some of the corps in personal conversations on the Hill.

Perhaps the main reason for rejection, however,

was that Senators seemed to think that the State Department would be made too big and powerful. Although Crockett argued that State would be made no larger and that AID and USIA would give up no authority over their respective employees, he was not convincing.

Amalgamation into the new single system, outside the Civil Service, could not happen, of course, when such a system failed to pass the Congress. By 1966, when the Hays Bill was finally tabled in the Senate, the Vietnam War had become a most controversial national issue. It was of ever-increasing concern to Senator Fulbright, and his views were increasingly at variance with those of the White House. In such times, State could hardly expect sympathetic treatment of a bill to strengthen its personnel systems. It was swept aside.

RECOMMENDATIONS EFFECTUATED IN WHOLE OR PART

The Department undertook to apply all the recommendations for improving its personnel management that could be accomplished within the authority of the Secretary. USIA and AID made parallel efforts. In total, the changes effected were substantial. A selection of the more significant changes will be summarized below, by personnel function.

Recruitment, Examining, and Appointment. The junior officer examination has been conducted as a joint State-USIA examination since 1964. Special options are included for economics and administration. Time lag in examining and appointing processes have been significantly reduced. Membership on the Board of Examiners has been widened to include CSC, AID, USIA, Commerce, and Labor.

Positive recruitment and competitive selection are used more widely for the appointment of Foreign Service Staff officers and for specialists generally.

Assignment, Career Development, and Training. State has recognized the career stages principle, proposed by Herter, in all aspects of its personnel program for career officers. USIA and AID also recognized the principle in practice, particularly through participation in "career" training courses for mid-level and senior-level officers.

State and USIA recognized broad career lines for their career officers and more specialized ladders for non-career (Reserve) and FSS officers. The proposed "track system" for State will provide greater recognition of requirements for specialists in all aspects of its personnel system.

Area specialization has been given increased emphasis in State since the Herter Report, as AID and USIA had been doing even earlier.

Exchanges of personnel among the agencies have increased at all levels, although no pool of executive talent has been formalized.

State now claims to have a well-established career management program involving the planning ahead of assignments and training events for FSO's for five and ten years ahead. USIA also has established a well-defined program for junior officers. Assignment and training selections are now made on the basis of world-wide requirements.

Opportunities for both inside and outside training have been increased. Training of personnel from other agencies has been increased. Training courses are being geared in at appropriate career stages, as integral elements of career development, as suggested by Herter.

Promotion and Selection-Out. The selection board precepts for State and USIA have been modified to emphasize the Herter concept that promotion from one career stage to another should be pivotal and officers should be "selected into" successive stages only after rigorous appraisal. Also, in response to a Herter recommendation, the promotion rate of junior officers has been speeded up so that the majority can advance from class 8 to class 5 in about five years.

As recommended by Herter, a new performance evaluation system was developed jointly by the three agencies in 1963 and put into use in 1964.

Herter had recommended that differences in benefits accorded overseas employees of comparable rank be eliminated. State now reports that differences, except for a few stemming from differential legislation, have been eliminated through inter-agency working groups, coordinated policy development, and the joint regulations board for State, AID, and USIA.

Other Delayed and Indirect Effects. Although the effort to create a foreign affairs career service for USIA, as recommended by Herter, was many times turned back in the Congress, it did finally succeed with the passage of PL 90-494 in 1968.

Failure to obtain legislative approval for a corresponding career service for AID seems clearly to result from the government's inability, indeed the nation's inability, to make a firm policy decision as to the character and duration of the aid part of foreign affairs strategy.

Although the government, despite Herter's helpfulness, has thus far been unable to achieve completely either a family of three compatible career systems or a single personnel system, these concepts have become influential in the thinking and behavior of foreign affairs employees. The report published in 1968 by the American Foreign Service Association, entitled, *Toward a Modern Diplomacy*, reflected identification with Herter views in favor of a family of three compatible career services and

in favor of a broader based and more versatile corps.

Subsequently AFSA changed its own role significantly: as an employee organization, AFSA won an election to become the exclusive bargaining agent representing foreign affairs employees not only in State but also in USIA and AID. For the time being, this anomaly exists: the union of foreign affairs employees exercises the advantage of a single personnel system approach, while management still must deal from a three agency stance. The union appears to be in a position to whipsaw management over every inequality and inconsistency, perhaps every variation between any two of the three systems. Surely this situation must change soon.

Not only have Herter ideas proved stimulating to young and not so young foreign affairs employees, but they also have proved helpful to many young people studying history and government at undergraduate and graduate levels in colleges and universities. The direct value of the seven Herter reports has been stimulation to additional research and publication. The excellent book, frequently drawn upon in this paper, by John E. Harr, *The Professional Diplomat*, can be regarded as part of the Herter legacy. That book was compounded from the work of Herter, plus additional research by the author. Other dissertations at the masters and doctoral levels owe their inspirations to the Herter literature and to the teaching of men who were on the staff. The benefits to the government from this spreading interest and expanding knowledge, in the form of both future employees and relevant research, will not be assessed here; but surely the results are advantageous.

THREE ANSWERS TO THREE QUESTIONS

The most important questions in case studies are the most difficult—those that force an assessment of effectiveness of changes in relation to objectives.

What Effects Were Intended from the Herter Recommendations? Clearly, the intention was to accomplish both the manifest objectives and the implicit objectives.

The manifest objectives had been to foresee foreign affairs personnel requirements over the next decade and to strengthen the ability of the government to find, develop, and make maximum use of personnel with the skills and talents required. More specifically, the Committee was asked to point the way to improvement in five personnel problem areas.

The implicit objectives had been to create an adequate data base and influential outside counsel as a defense for the Department against impulsive but powerful moves from outside the Department.

What Effects Were Actually Experienced? The Herter Committee realized that the functions being envisioned for the New Diplomacy could not, in fact, be brought into realization without strengthening the executive power of the Department, installing a sustaining manager ranking third in the Department, and creating a programming system such as CCPS. None of these antecedents to a system-wide personnel system adequate to support the New Diplomacy could be fully achieved. The effects anticipated from these instances of non-change were approximately projected but perhaps not quite as negatively as anticipated.

The personnel systems of State, AID, and USIA were improved, somewhat in concert, as a result of implementing changes within the authority of their executives. Manpower planning was advanced; recruiting, examining, and appointments were changed to bring in more and better qualified junior officers; development and utilization of personnel were systematically improved; performance evaluation, promotions, and selections-out were made effective. The foregoing beneficial effects, however, were incremental and incomplete. State's management was better with them than it would have been without them.

The grand effort, which failed in the short run, has caused delayed and indirect effects which were not anticipated. Subsequent reform efforts and change-bent managers have drawn upon Herter information and thinking for many beneficial changes.

Effects achieved in relation to the implicit objectives were totally advantageous. The systematically assembled data, sound recommendations, and complete reporting provided an effective hedge against peremptory calls for change based on bias, anecdotal data, or other extraneous factors.

What Factors Were Responsible for Actual Effects? Failures to obtain the changes sought in legislation—the most significant changes sought—have been due first to the Secretary's dubious dedication to management improvement and his failure to give unqualified support when resistance arose on the Hill. Senator Fulbright's unfavorable attitude toward the Herter Committee would have been an obstacle in any case, but strong early advocacy by the Secretary and the White House might well have achieved passage of legislation similar to the Hays Bill.

The factors which produced incremental, delayed, and indirect effects, which were to prove beneficial to the foreign affairs agencies, were due largely to the quality of thinking and professional workmanship which characterized the Committee

and staff and the dedication of State's administrative staff striving to bring about applications without much attention from the top.

LESSONS FROM THE HERTER EXPERIENCE

No unqualified lessons can be drawn from Herter. The situation was immensely complex with frequent turnover of officials in key roles and a welter of competing events of high priority stretching over such a long period of time that no clear generalizations can be warranted.

What can be done is to record some questions and observations that might be worth considering when a similar study is again being planned.

1. If approval is required from any principal in the decision-making system, at what stage should that principal become a participant or be informed?

—The Chairman of the Senate Foreign Relations Committee expressed negative attitudes toward the Herter Committee, based on its private funding and absence of a Congressional member.¹⁰ He contrasted the implementation success of the Plowden Committee Report of 1964 with the implementation failures of Herter.

—When and how should employee organizations and veterans groups be informed or involved? In the Herter case, these groups caused legislative delays and revisions out of proportion to their ordinary influence.

—The Secretary's opposition to the proposed third-level position in State was apparently not known until the Report had been delivered. How could that kind of awkwardness be avoided?

2. Plan, if possible, to make delivery of recommendations at an opportune time.

—How long can high interest on the part of the creating authority be expected to continue?

—What competing events must be taken into account?

—What are the trade-offs between more time to make a complete investigation, on the one hand, and a shorter time allowance in order to avoid loss of priority, on the other?

—What changes in incumbents of key offices can be anticipated, and how will they affect approval and implementation of changes? (Such changes were disastrous in the Herter Case.)

—What kinds of changes can be done best at the

beginning of a Presidential administration? What kinds near the end?

3. Distinguished public committees can serve an agency head advantageously under some conditions, not others.

—When there is need for objective evaluation of agency programs, such a committee can lend credibility.

—When the agency head has the authority and willingness to implement their recommendations, such a committee can be used with success.

—The opinions of distinguished public committees carry little weight with groups or individuals who have vested interests at stake if those interests seem threatened by proposed changes. When important legislation will be required by the committee's recommendations, as in the Herter case, effective tactics must be developed to obviate unfriendly reception on the Hill.

4. Employee organizations and informal communications are significant phenomena in the behavior of organizations. Certainly AFSA has been and is a significant organization in the State Department.

—Why has none of the long series of committees, not even Herter, made specific study of AFSA, or other unions in State, in order to advise on labor-management relations policy? Good counsel would have been helpful.

5. The Foreign Service corps is unique, and a "Foreign Service Culture" has accrued, which is cited both as a source of pride and security for its members but also as a wall of resistance to improvement of the Department.

—There is much talk about the Foreign Service Culture but not much recorded understanding of it. Might it not be amenable to scientific study? Is sociology up to such a study? Should psychology and anthropology also be drawn upon?¹¹

6. The demands upon State for policy leadership and for foreign affairs program coordination seem destined to exceed State's sheer authority for carrying out these functions. If so, what auxiliary strategies can State utilize to supplement its direct use of authority?

—The Department of Defense, to improve coordination and collaboration among component organizations, has long made effective use of inter-service training of military and civilian

¹⁰Senate Joint Resolution 173—Introduction of Joint Resolution Relating to Conducting Foreign Relations in the 1970's, see *Congressional Record*, 90th Congress, 2nd Session, May 22, 1968, pages 14499ff.

¹¹William J. Crockett's ACORD program, the subject of another case in this series, did engage social scientists to study organizational effectiveness in the State Department; because of its focus, however, it found in State the kinds of attitudes and behavior which are common in other large organizations rather than analyzing the Foreign Service Culture in order to understand its differentiating characteristics.

managers and professionals at the War College and the Industrial College of the Armed Forces.

—Careful thought might be given to greatly expanding the capacity and curriculum of the FSI, as a major source of interagency training of managers and professionals from all foreign affairs-related agencies. The curriculum would

stress goals, policies, programs, program relationships, interagency program administration, and other administrative strategies.

The FSI now conducts some interagency training on a reimbursable basis. The hypothesis is that a great deal more is feasible and would be effective toward the goals of policy and program coordination.

Organization Development in the State Department: A Case Study of the ACORD Program

by Michael H. Harmon

INTRODUCTION

A central paradox in recent decades for the State Department's career Foreign Service has been, on the one hand, its declared desire to assume greater responsibility and control over U.S. foreign affairs activities abroad and its apparent distaste, on the other hand, for the managerial activities required to exercise that expanded responsibility. Indeed, a key impediment to the successful implementation of management innovations and reforms at State has been that the potential users of such innovations have not regarded their roles as managerial ones to any significant extent. The belief has long been held by the Foreign Service that the substance of diplomacy and foreign affairs leadership is separate and distinct from the management of overseas programs and that its proper role is the exercise of the former. This view is abetted by the higher status (and, until recently, better possibilities for promotion) accorded to political officers than to administrative officers, as well as by the relatively scant attention paid by recent Secretaries and Under Secretaries of State to problems of management and organization within the Department.

It is against this backdrop that the Action for Organization Development (ACORD) Program, as well as other initiatives for management reform during the 1960's and '70's, should be assessed. The ACORD program was perhaps the most controversial and least understood management effort undertaken by William J. Crockett during his tenure as the State Department's Assistant Secretary (and later Deputy Under Secretary) for Administration from 1961 through early 1967. The following pages are an attempt to trace the history, to describe the context, and to assess the effects, successes, and failures of ACORD. It is especially im-

portant to bear in mind that a consideration of the relevance of organization development (or OD) in a generic sense to the improvement of the management of the State Department must, for analytical purposes, be separated from an assessment of the specific characteristics of the ACORD program. ACORD was the first major OD effort ever undertaken in the federal government. It was beset by numerous sources of resistance within the Department, which, coupled with the program's conceptual deficiencies and the tactical mistakes made in the implementation of the ACORD program, led to its effective termination less than three years after it had begun.

THE ESTABLISHMENT OF ACORD

The key figure in the establishment of the ACORD program was William J. Crockett, who assumed the role of the Department's chief administrative officer beginning almost immediately after the inauguration of President Kennedy in January, 1961. Crockett had joined the State Department in 1951 and a few years later attained FSO status via lateral entry as a "Wristonee". Throughout his career with State (in which he held exclusively administrative positions) Crockett moved rapidly upward and developed a reputation as both an innovative and aggressive administrator. At the same time, he was sufficiently politically astute to garner the support and confidence of Congressman John Rooney (who controlled the State Department's appropriations in the House of Representatives). Nor was he hindered by his friendship with then Vice President Lyndon Johnson, whom he accompanied on several trips abroad. Crockett was viewed by Foreign Service Officers as somewhat of

a pariah due to the means by which he entered the State Department, to his philosophy and style of management, and to his political ties on Capitol Hill.

In considerable part, Crockett saw his attempts at administrative reform in State as consistent with President Kennedy's wishes to make the Department more responsive to Presidential foreign policy directives and to compel the State Department to assume a more active leadership role among the U.S. foreign affairs agencies overseas. For Crockett, this expanded leadership role was one which required on the part of the Foreign Service far greater consciousness of and sophistication about the essentially managerial nature of that role.

Of the many management initiatives undertaken during Crockett's tenure as Deputy Under Secretary for Administration, two have special bearing on the decision to begin the State Department's organization development effort. The first (begun in 1964) was the Comprehensive Country Programming System (CCPS), which sought to implement sophisticated planning, budgetary, and information processing techniques in U.S. missions overseas for the purpose of creating a more rational and better coordinated array of programs and policies at the country level. CCPS, which was a variation of the program, planning, and budgeting system (PPBS) implemented with some success in the Defense Department, was seen by Crockett's management staff as consistent with the spirit of Kennedy's wish that the State Department assume overall responsibility for the activities of the various U.S. foreign affairs agencies.

CCPS encountered considerable resistance from the missions which were supposed to use it, primarily on the grounds that the excessive quantification of information required to make CCPS work smacked of management "gimcrackery" and was irrelevant to the conduct of the subtle art of diplomacy. The PPB concept faced a similarly difficult reception in domestic agencies (where it was later implemented at the directive of President Johnson), as well as harsh criticism from many academics in public administration who regarded its assumption about comprehensive rationality as basically incompatible with the incremental nature by which political and administrative decisions in public organizations are actually made.

Whatever the real or imagined strengths and weaknesses of CCPS, both Crockett and his principal deputy, Richard Barrett, Director of the Office of Management Planning, concluded, with some justification, that the problems in the implementation of CCPS were essentially human problems rather than technological ones. A management change effort of the magnitude of CCPS, they discovered, could not be implemented by fiat and, in

order to be truly effective, required agreement about its necessity or utility by those who were to use it.

The second Crockett initiative to presage the ACORD program was the reorganization of the Administrative (or "O") area in the summer of 1965. Crockett was, on one hand, dismayed by the lack of responsiveness of program managers in the "O" area to his requests, yet convinced that, if they had greater autonomy, they could perform their jobs more effectively. In an attempt to increase both the autonomy and the responsiveness of the program managers, Crockett unilaterally abolished six layers of line authority which had separated him from the operating programs. The reorganization was implemented in the form of a program called Management by Objectives and Programs (MOP). Although this action was met with some amazement and consternation by his immediate staff and suspicion by many, if not most, of the program managers, Crockett's stated intention was to "liberate" the managers from the bonds of hierarchy which had previously shackled them.

Agreement was less than unanimous among those affected, however, regarding the altruism of Crockett's motives; indeed, the move was seen by many as designed to increase his scope of influence and power. (The reorganization of the "O" area did, in fact, increase his immediate span of control to more than 50 people.) Interposed between the program managers and Crockett was a group of "cone coordinators" (a concept borrowed from Rensis Likert of the University of Michigan) which collectively was to act as Crockett's "executive group" for the purpose of giving advice and jointly making policy decisions for the "O" area. The creation of the cone coordinator positions implied a shift in role from that of linear authority to that of coordinator or facilitator, a conception neither widely believed nor understood by those affected.

Quite independent of the Department's management problems with which the various Crockett programs attempted to cope, was a growing awareness among several of Crockett's management staff of changes occurring in the general societal fabric, as well as of the growing body of literature in the field of management theory and psychology. The early and mid-60's were a time of intellectual ferment in academic management circles, which produced a body of theory and research that strongly reinforced the intuition and experience of Crockett, Barrett, and others in the State Department's "O" area. Specifically, the thrust of this literature confirmed their suspicions that traditional authoritative management practices were outdated and ineffective in organizations characterized by great complexity and in a society undergoing basic value changes. The management staff's general

concern with the issue of "organizational health", as opposed to the somewhat narrower concepts of efficiency and effectiveness, led them to search for ways in which complex organizations could better reflect changing social norms and be more flexible and responsive to changes being demanded of them by their client groups and the environment.

During the summer of 1965, Barrett forwarded to Crockett a copy of Douglas McGregor's *The Human Side of Enterprise*, perhaps the most influential book on the subject of management written since World War II.¹ McGregor's thesis was that the assumptions which managers make about their subordinates are reflected in their behavior toward them and that subordinates respond by evidencing behavior which is usually consistent with the manager's original expectations. In a very real sense, the manager's expectations become self-fulfilling prophecies. For example, managers who act in ways reflecting assumptions that people are lazy, stupid, and irresponsible ("Theory X") will be rewarded with the kind of behavior by subordinates that they expect. More optimistic assumptions about subordinates, e.g., people are basically responsible, have potential for creativity, and are desirous of hard work, will, according to McGregor, be likewise self-fulfilling. This latter view, which McGregor called "Theory Y", is one which provided much of the basis for the organization development movement.

Perhaps more important, however, is that *The Human Side of Enterprise* offers a philosophy of management rather than a scientifically verified set of management techniques to promote organizational efficiency. As it has had for many other practicing administrators, McGregor's work had a profound personal influence on Crockett, in part because it helped to crystalize for him a number of troublesome issues with which he had been attempting to deal since taking over the top administrative post in the State Department. McGregor's book both reinforced Crockett's emerging belief that problems of management reform were mainly human rather than technological and gave him the means by which he could reflect upon his own assumptions about style of management. Much of what he saw he did not like. While he viewed his own intent in proposing his many management initiatives as being motivated by Theory Y assumptions, he came to believe that his own style of management was much closer to Theory X. Thus began Crockett's interest in behavioral science (and, later, organization development).

A specific chain of events began in 1964 which led to the formal creation of the ACORD program. Barrett, with the assistance of Charles Whitlock (a

social psychologist from Harvard University and later Dean of Harvard College), held a five-day, off-site workshop for current and potential Deputy Chiefs of Mission (DCMs) to familiarize them with problems and issues bearing on the performance of management tasks in U. S. Embassies. Roughly half of the workshop was devoted to lectures and discussions by prestigious State Department officials, while the other half was composed of structured role-playing exercises derived from the literature of social psychology. Although the lectures and discussions were far better received than the role-playing sessions, Barrett suspected that the latter were probably more valuable to the DCMs than the formal lectures, in large part because of the personal discomfort they created for the participants.

A decision was made to conduct a second workshop for a similar group of participants in which the focus was exclusively upon personal learning using the laboratory approach. Whitlock, who was not a laboratory trainer, suggested that Barrett meet Leland Bradford, President of the National Training Laboratories (NTL). NTL was the organization which had first developed the laboratory training approach and later moved into the OD area. Bradford agreed to conduct the second workshop along with Whitlock and Don Alfred Orton, who had been involved in the first workshop. Bradford played the key role as the trainer of this workshop, with Whitlock and Orton remaining mainly in the background.

Both Barrett (who attended both workshops) and the participating DCMs were enthusiastic about their experiences in the workshops. This led Whitlock to suggest that, if the laboratory approach were to be used in the future, the best consultants and trainers in the field were nearly all part of the NTL network of OD consultants in which Bradford was a key figure. Bradford responded favorably to the prospect of an NTL involvement with the State Department and suggested that Chris Argyris, a leading OD theorist, be invited to lead some of the subsequent groups in conjunction with Bradford.

During this period (early 1965), Crockett became an active supporter of the workshops by virtue of his exposure to McGregor and his association with Dr. Alfred J. Marrow, Chairman of the Board, Harwood Manufacturing Corporation. Marrow, along with two other behavioral science-oriented business executives, Edward Fogle and Fred Holloway, had been acting as an adviser to Crockett during the previous two years on management matters in the State Department. Marrow, who had been a student and admirer of the late Kurt Lewin, acted as host for subsequent meetings with Barrett's staff, the staff and network consultants of the National Training Laboratories, and a small group of researchers in the field of organizational behavior from the Insti

¹Douglas McGregor, *The Human Side of Enterprise*, (New York: McGraw-Hill Book Company, 1960).

tute for Social Research at the University of Michigan. From these meetings eventually came a contractual agreement with NTL to provide consultant services in OD for the State Department.

During the period of these negotiations, the Fall of 1965 and the Winter of 1966, Argyris and Bradford conducted two week-long sensitivity training sessions at Airlie House, Virginia for career Ambassadors and other senior level Foreign Service Officers. With a few exceptions, the participants were enthusiastic about the two laboratories and a few of them expressed interest in using NTL consultants for team development work in their organizational units. It was from these labs that the material for Argyris' 1967 report, "Some Causes of Organizational Ineffectiveness in the State Department", was drawn (an episode which will be discussed later).²

Although the ACORD program had not yet been formalized, the use of T-groups for high-level Department officials was consistent with the "seeding" theory which later underlay ACORD. The belief was strongly held among the NTL consultants that the success of any OD effort depended on its acceptance and support at the highest levels of the organization. By beginning the program with T-groups consisting of high-level officials in the Department, the NTL people, as well as State Department employees who comprised the internal ACORD staff, felt that the broadest possible exposure to the values and techniques associated with OD could be achieved most quickly and effectively. This strategy coincided with the fact that Crockett and his staff found it administratively more convenient to lure participants on an individual basis (especially potential DCMs for whose appointments Crockett had substantial influence) than to attract entire organizational groups for the purpose of team development. The ACORD staff also found that the subsequent team development workshops conducted by the NTL consultants were most successful when the key members of the organizational units previously had attended a T-group and were thus familiar with the methods of laboratory training.

In early 1966, Marrow and Bradford persuaded Crockett to attend an NTL laboratory for high-level executives (most of whom came from industry rather than government). The "President's Lab" was a profound experience for Crockett in that it confirmed, in very personal terms, what had theretofore been primarily an intellectual commitment to McGregor's Theory Y approach to man-

agement. The lab helped to cement Crockett's commitment to the establishment of a formal program of organization development in the State Department.

THE ORGANIZATION AND STAFFING OF ACORD

Although Crockett was highly instrumental in the establishment of ACORD, as well as its key supporter and protector, the management of the program fell initially to Richard Barrett. Formerly a protege of Ralph Dungan at the Bureau of the Budget, Barrett had been a prime mover in the creation of many of the management programs by the "O" area staff, including the Comprehensive Country Programming System. Like Crockett (perhaps even more so), he developed a reputation as an aggressive "mover and shaker" in the Department's management area. In the process, he had created more than his share of enemies, especially among senior Foreign Service Officers, who were less than enthusiastic about embracing the new management role and programs being foisted upon them by the "O" area. Barrett, who was later succeeded by John Harr as director of ACORD, was the program's key internal manager and provided the main initial link with the NTL staff in the day-to-day operation of ACORD.

While Leland Bradford was the key figure outside the State Department in the development of the NTL contract, the contract manager was Dr. Charles Seashore, then an executive at NTL. In part because of the high status of the State Department, Bradford and Seashore were able to attract a group of the most experienced and prestigious OD consultants in the country. While eventually more than 20 NTL consultants were used in the ACORD program, the initial group included Argyris; Charles K. Ferguson, George Lehner, and Robert Tannenbaum of UCLA; Warren Bennis of MIT; Sheldon A. Davis of TRW Space Technology Laboratories; Jack Gibb of Western Behavioral Sciences Institute; John C. Glidewell of Washington University; and Joseph Handlon and Herbert Shepard of Case Institute. A number of the ACORD consultants previously had worked together in a major OD effort at TRW where Sheldon Davis was Vice President for Human Relations.

The composition of this group was arrived at after a series of sometimes acrimonious discussions among a group of behavioral scientists who comprised the steering group of Crockett's "Management Advisory Council". The non-State Department members of the group included Marrow, Argyris, Bradford, Holloway, John R. Everett (of

²Chris Argyris, "Some Causes of Organizational Ineffectiveness in the State Department", Center for International Systems Research, U.S. Department of State, Occasional Paper, Number 2, January, 1969.

the New School for Social Research in New York City), and Dr. Rensis Likert and Floyd Mann of the University of Michigan's Institute for Social Research. Because of their relatively recent exposure to the behavioral science management literature, the State Department management staff had entered these meetings assuming that all management academicians who had been heavily influenced by Lewin and McGregor would embrace a consistent and unified approach to the application of behavioral science knowledge to organizational problems. They were thus unprepared for disputes regarding research and intervention strategies which arose in the steering group both between the Michigan group and the NTL organization development people, as well as within the NTL group itself.

As a result of the inability to resolve the differences between the NTL and Michigan groups, two separate contracts ultimately were drawn up; NTL would have prime responsibility for sensitivity training, team development workshops, and the training of an "in-house" group of OD practitioners, while the Michigan Institute for Social Research would undertake a comprehensive analysis of the effectiveness of the reorganization of the "O" area (the MOP program). While the two groups occasionally cooperated during the subsequent 16 to 18 months, it was mainly for the purpose of making sure that one group did not intrude into the other's domain. Although, on occasion, the two groups actually collaborated with one another, subsequent reports by the ISR staff show that they regarded some of the team development activities later undertaken in the "O" area as hampering their own research effort.

THE DEVELOPMENT OF AN INTERNAL ACORD OD STAFF

As in most large-scale OD efforts, some effort was made to train a small group of internal consultants within the ACORD staff to collaborate (or "co-train") with the NTL consultants, especially in the later team development workshops. The decision to create an internal OD capability was based on the theory that the role of the outside consultant is ultimately to develop in the client organization its own capacity for adaptiveness and development without outside help, thus promoting the view within the organization that OD is an intrinsic management mode and philosophy rather than a program temporarily imposed on it from the outside. Also, as a practical matter, a trained internal staff of OD practitioners, because it is closer to the day-to-day activities of the organization, can provide in-

sights into the climate of the organization and can sense targets of possible change efforts more readily than can an outside consultant whose relationship with the organization is usually temporary and intermittent. In-house OD practitioners also cost less than external consultants, whose daily fees range anywhere from \$150 to as high as \$1000 per day. While members of the ACORD staff stressed that the total ACORD budget was a mere pittance in comparison to the funds poured into such programs as PPBS in various federal agencies (including State), the substantial daily fees paid to the ACORD consultants were not viewed enthusiastically by influential Congressmen who later reviewed the ACORD program.

Apart from Barrett and Harr, who acted as consultants in some of the workshops as well as managed ACORD, a small number of State employees became involved in the program. NTL had earlier suggested that, in addition to Crockett attending the NTL Presidents' Lab, the members of the ACORD staff should attend short-term OD training programs and T-groups then offered by NTL. In addition to Barrett and Harr, three of the internal ACORD consultants who attended NTL labs deserve mention in that each was assigned to work as the primary internal resource person in a geographical bureau in State: James Carney (Africa), Susan Farrington (Latin America), and Leonard Pouliot (Europe). Each eventually teamed with NTL consultants in conducting team development workshops, although Africa was the only regional bureau in which a sustained OD effort was ever implemented. All three internal consultants, in addition, worked with various units in the "O" area.

THE FORMAL OBJECTIVES OF THE ACORD PROGRAM

The stated objectives of the ACORD program were not unlike those of most other OD efforts. An early ACORD memorandum listed six specific goals the staff was hopeful of achieving: increasing the effectiveness of Departmental decision-making through executive team building, promoting collaboration and the creative use of conflict to bring about openness in communication, facilitating better problem solving by decentralizing the organization and delegating responsibility, developing the management skills of individual administrators in the Department, creating an organizational climate conducive to interpersonal trust and risk-taking, and developing skills of people within the Department for achieving those goals, thereby lessening the reliance upon outside resources. At a more implicit level, the ACORD staff saw organization de-

velopment as the means by which a major reorientation of values in the State Department might be achieved, a change which they saw as necessary for the successful implementation and utilization of prior management programs initiated by Crockett and his staff. Organization development also appeared to the ACORD staff to be the vehicle through which a greater awareness could be generated among Foreign Service Officers of the importance of viewing the jobs in management terms.

MAJOR OD INTERVENTIONS EMPLOYED IN ACORD

The initial approach or intervention employed in pursuit of the above objectives was sensitivity training laboratories (or T-groups). Even before ACORD was formally established, several successful groups had been conducted by Bradford, Argyris, and Ferguson; they were attended by Ambassadors and other senior FSO's. By the end of 1966, the first full year of ACORD, more than 200 high-level State Department employees had attended five-day off-site labs. Because most of these groups were comprised of persons who did not work with one another in a common organizational unit or work team (thus the term "stranger lab"), primary emphasis was placed on the development of greater interpersonal sensitivity and self-awareness as they pertained generally to the role of the Foreign Service Officer, rather than on the specific application of such learning to the performance of concrete organizational tasks. Consultants and ACORD staff members alike report that about 80 to 90 percent of all reactions were favorable to the workshops, with the remainder about evenly split between those who were either neutral or regarded the experience as harmful or unproductive.

The most publicized of the sensitivity sessions were the three so-called "Ambassadors' labs" conducted by Argyris (present at all three), Bradford (the first and second), and Ferguson (the third). These three labs became the best known because of the high status of the participants (although only about two-thirds of those attending were actually Ambassadors) and because these labs provided most of the data for a controversial report later written by Argyris. As a matter of general practice, Argyris regularly tape recorded labs he conducted, often playing back portions of them to the participants in order to emphasize various points he wanted to make to them, as well as occasionally using the tapes for research purposes. When asked by some of the participants in an Ambassadors' lab what he intended to do with the tapes, Argyris replied that he planned to erase them. At the sugges-

tion and encouragement of the group (and consented to by subsequent groups he conducted), Argyris prepared a draft of a report summarizing his findings. On two separate occasions, 125 copies were made and distributed by Crockett to the participants of the three labs from which the data had been collected. (Somewhat tongue-in-cheek, Argyris labeled his report "top secret", an act which later raised the eyebrows of a few people who heard about but were not privy to it.) The participants were asked to read the report for the purpose of recommending portions to be deleted or amended. At follow-up "alumni" meetings held in Washington for the lab participants, suggestions were again requested concerning possible revisions or deletions of the report. According to Argyris, at no time was the "privacy" issue raised by the participants as a reason for either withholding publication of the report or substantially altering its substantive content.

Briefly, the Argyris report was an attempt to capture and describe the norms and values of the social system of the Foreign Service and to describe their implications for interpersonal and managerial behavior in the State Department. Considerable space in the report was devoted to the ways in which "substantive" officers (usually career FSOs) and "administrative" officers (either lateral entries into the Foreign Service or Civil Service employees) perceived one another and the effect those perceptions had on the effective functioning of the Department. In the report, Argyris (and Crockett, who supplied a foreword to it) stressed that the findings and recommendations should not be construed as a commentary on the competence or integrity of individual members of the Foreign Service. The report was, however, highly critical of the Foreign Service as a social system. Argyris concluded by recommending, in somewhat general terms, some steps which should be undertaken in order to transform the norms of that social system in order to bring about more effective interpersonal relations in State.

While some who read the Argyris report took exception to both his analysis and recommendations, the greatest controversy surrounding the report concerned the decision to publish it. In a personal interview, Crockett said that the decision to publish the report was his (Crockett's) and that the decision was made on both pragmatic and philosophical grounds. The pragmatic reasons were that word had spread through the State Department of the existence of the report, fostering speculation that, if either the press or key Congressmen heard about it, they would either demand to see it or be critical of the Department for keeping it secret. Moreover, since several copies were already in the hands of the lab participants, the chances of one or

more copies being inadvertently leaked was a strong possibility, in which case the controversy about the report would be greater than ever.

In addition, Crockett stated that the publication of the report was a necessary and logical step in his effort to bring about more open communication within the Department. He stated that research, as a matter of general practice, ought to be published and that the Argyris report was a valuable document from which the Department as a whole might gain useful insights.

The question has been raised subsequently as to whether the publication of the report represented a violation of the privacy of those who participated in the labs. This proved to be an important issue both to the Foreign Service as well as to the OD community, which has long been sensitive to the charge that laboratory training (regardless of whether data from laboratory groups is gathered and published) constitutes an invasion of privacy. Crockett pointed out that all the data published in the report was anonymous and thus was not a violation of the contract between consultant and client. He stated that interpersonal relationship data belongs to the group from whence it originates, but that systemic data (which he regarded the Argyris report as presenting) rightfully belongs to the larger system and is necessary for its long-term learning and development.

While Crockett emphasized that the decision to publish was his and that he had appropriate authority to make it by virtue of his position as Deputy Under Secretary for Administration, it should be noted that the decision, in a *de facto* sense, actually was made with the consent of the laboratory participants. Argyris has stated that he did not particularly care whether it was published or not, but discussed with the participants the possibility of its publication. Whether the participants gave the go ahead because they shared Crockett's philosophical view or because they feared that the report would be leaked if it were not published is not entirely clear. At any rate, Crockett knew when he made the decision that the Ambassadors approved the idea to publish the report. The eventual impact of its publication on the fate of ACORD will be assessed later.

TEAM DEVELOPMENT IN THE ACORD PROGRAM

As noted earlier, the purpose behind the use of T-groups as the initial OD intervention in ACORD was to expose a wide spectrum of State Department FSO's to the values and methods of OD to generate interest and support for team development activities in various sectors of the agency. In some cases,

this "seeding" theory worked, as evidenced by subsequent requests by several senior level T-group alumni for assistance from the ACORD staff and consultants in conducting team development workshops.

While systematic team development efforts were begun (and sustained for a time) in the European and Latin America Bureaus, the most successful effort in any of the regions was in the Africa Bureau for which Joseph Palmer had been recently appointed Assistant Secretary. In his previous position as Director General of the Foreign Service, Palmer participated in the first Ambassadors' lab led by Bradford and Argyris and emerged from it committed to the idea that laboratory training provided a helpful means for improving the management of the State Department. That ACORD involvement in the Africa Bureau was greater than in the other regions was attributable to the support given it by Palmer, as well as to the composition of the ACORD consultant team. At least some of the NTL consultants assigned to the Africa Bureau were able to devote a substantial amount of time to the effort there, unlike many of those working with other bureaus whose time was limited by full-time academic commitments. Additionally, the internal consultant assigned to Africa was James Carney, the only ACORD staff member who was a *bona fide* Foreign Service officer. Carney's status as an FSO appears to have been a useful asset, given the credibility problems facing the GS and FSR-dominated ACORD staff. All of these factors permitted the OD effort in the Africa Bureau to continue for some months after the departure of Crockett from State in January, 1967.

The OD effort in the Latin America Bureau (ARA) was not as coherent, and did not last as long, as that in Africa. While preliminary exploration was made by the ACORD staff of the possibilities for team development, subsequent workshops were infrequent and sporadic. The reasons appear to be that support at the Assistant Secretary level in ARA was not as strong as Palmer's in Africa and that the experience, continuity, and feelings of security of the internal ACORD staff working there were minimal.

Because of its unique relationship with AID and other foreign affairs agencies, ARA provided in some respects, however, the most exciting OD possibilities of any of the regional bureaus. The Latin America Bureau also provided the data base for the most systematic research projects carried out under the auspices of ACORD. Relative to the other regional bureaus, ARA was organizationally better integrated with its corresponding bureau in AID, a fact which facilitated an easier implementation of the "country team" concept which had been an earlier brain-child of Crockett. Further, top officials in

ARA had been among those most receptive to the CCPS (later revised and retitled Foreign Affairs Programming System—FAPS) for which, in part, ACORD had been created to assist in implementing.

Richard Walton of Harvard, a consultant in the NTL group, accompanied Robert Bohnam of the FAPS staff on several trips to Latin America, with the intention of using organization development methods to facilitate better inter-agency cooperation at the country level. Walton's major effort was an analysis of inter-agency relationships in Brazil. He recommended that activities be undertaken in Brazil similar to those then being conducted by other ACORD staff and consultants, but with a greater emphasis on integrating team development aspects with a formalized planning system represented by FAPS and its successor program in Latin America, the Country Analysis and Strategy Paper (CASP).

Numerous team-building efforts also were conducted during the period of January, 1966, to January, 1967, in Crockett's "O" area, although they reflected less of a systematic program of organization development than a series of *ad hoc* workshops initiated and conducted when targets of opportunity arose. Several of the outside consultants remarked in internal ACORD memoranda on the lack of any overall strategy or plan to guide the OD activities in the "O" area and on the failure to develop a more permanent and integrated team of ACORD staff and consultants necessary for a long-term effort.

Three additional specific activities which involved ACORD staff and consultants deserve mention. First, through Barrett, a series of sensitivity labs became a regular feature in the Foreign Service Institute's Senior Seminar programs under the supervision of Lewis Jones, a graduate of one of the early labs conducted by Argyris. Jones saw the labs as a means for creating an open learning environment in the year-long seminars attended by senior FSO's prior to their assignment to more responsible positions in missions overseas.

Second, Fisher Howe, a member of W. W. Rostow's Policy Planning Staff, and also a T-group alumnus, utilized Walton and Carney in his efforts to coordinate the preparation of National Policy Papers (NPP's). NPP's were a series of policy planning documents developed for use by individual country missions in coordinating various foreign affairs programs. Their preparation entailed collaborative efforts by members of Rostow's staff and representatives of the various country teams for which Howe found the facilitative role performed by the ACORD consultants to be helpful.

A third specific activity performed by Seashore, the NTL co-director of the ACORD program, and

Carney and Pouliot of the ACORD staff, was to orient incoming junior FSO's to the ACORD program and to conduct problem-identification workshops for a group of disenchanted younger FSO's. The lack of challenge and opportunities afforded to junior Foreign Service Officers had long been regarded as one of the spillovers of the rigid status system which operated in the Foreign Service. Under the sponsorship of Ambassador Outerbridge Horsey, these sessions were intended to surface some of the problems and frustrations experienced by younger FSO's and recommend ways in which a more meaningful role for them could be developed.

In the last days of the ACORD program (Summer, 1967), a number of junior FSO's launched a campaign which culminated in their taking over the leadership of the American Foreign Service Association (AFSA). Some months later, AFSA undertook a comprehensive study to determine how the Foreign Service system could be altered to bring about a more responsive and creative role for the Service in the development of foreign policy and in the management of foreign affairs. The report of the group's effort, entitled *Toward a Modern Diplomacy*, received the backing of John D. Rockefeller, 3rd in the form of a stipend to support Charles Bray, a member of the new AFSA leadership, for a six-month leave of absence from State to work on the report.

THE DEMISE OF THE ACORD PROGRAM

Although officially the ACORD program was not terminated until early 1968, its imminent death became apparent when its most influential sponsor, Crockett, departed the State Department and was succeeded by Idar Rimestad, previously the Counselor for Administration at the Paris Embassy. Crockett, whose supporters within the Department had always been relatively few in number, began in 1966 to find that his support on Capitol Hill had begun to seriously erode because of some controversial personnel actions he had taken which had angered both liberals and conservatives alike. These actions, coupled with Crockett's status as an "outsider" in the Foreign Service and his many unpopular attempts at management reform within the Department, made it clear that his position as Deputy Under Secretary for Administration was in grave jeopardy. Rather than accept another position in State (most likely an ambassadorship), he decided to leave the Department to accept a position with IBM. Prior to his official departure on January 31, 1967, Crockett was asked to recommend a successor to the Deputy Under Secretary

post. With the approval of senior State Department officials, such as Charles Bohlen and Llewellyn Thompson, Crockett finally decided on Rimestad, an old-line FSO, who was acceptable both to the Foreign Service and, more importantly, was one of the few available candidates likely to be approved by Congressmen John Rooney and Wayne Hays. Rimestad's views about the management of the State Department appear not to have been a key factor in his selection; indeed, it is not even clear that Crockett knew what they were, although Rimestad had attended an ACORD lab in Garmisch, Germany, where he had expressed skepticism about the worth of laboratory training.

Almost immediately upon assuming his new position, Rimestad confirmed the worst fears of the ACORD staff, and other Crockett supporters in the "O" area, by reversing much of what Crockett had attempted to do during the prior five years. The five administrative layers in the "O" area, previously eliminated by Crockett as part of the MOP program, were reinstated and work slowed on the implementation of the country programming systems. Further, Rimestad assumed his new post only days after the publication of the Argyris report, which had already created some controversy within the Department, in the press, and on Capitol Hill. In response to hostile probing by Rooney at a House hearing, Rimestad agreed that the expenditure of Department funds for the conduct of the research and publication of the report could have been better spent. Rimestad also was under pressure from the Bureau of the Budget to cut expenditures across the board in the administrative area as part of a government-wide austerity program. ACORD managed to survive for a period, but, after approximately six months, both the ACORD staff and the NTL representatives could see the handwriting on the wall. By the Fall of 1967 (and to the visible relief of Rimestad), Barrett had left State, along with Harr, Carney, Pouliot, and other ACORD staff members.

SOURCES OF RESISTANCE TO, AND MISTAKES MADE IN, THE ACORD PROGRAM

The change in leadership at the Deputy Under Secretary post was the major reason for the killing of ACORD. However, an assessment of both its effectiveness and its long-term effects must include an analysis of both the sources of resistance to the program (or simply the lack of affirmative support for it) and the strategic and tactical mistakes made by Crockett, the ACORD staff, and the NTL group.

Sources of Resistance or Lack of Support. Although the

reactions of those who participated in various aspects of the ACORD program were favorable, by and large, and even highly enthusiastic in many instances, ACORD participants represented only a small fraction of the career Foreign Service corps. Because the values and methods of laboratory training and organization development were, in the view of many FSO's, contrary to the style of behavior necessary for the effective conduct of diplomacy, the skepticism of the Foreign Service about the utility of laboratory training was, in most cases, only alleviated by actual participation in ACORD labs. Even for those who did participate, however, support for ACORD was by no means complete and unequivocal.

A major objective of ACORD was to alter the Foreign Service's perception of the management or administrative function. Yet this objective was also one of the key sources of resistance to the program because of the longstanding distinction made by the Foreign Service between "substance" and "administration". Rather than viewing administration broadly as the management of resources for the implementation and coordination of foreign affairs policies and programs, "administration" was typically held by the Foreign Service to mean provision of low-level support services such as motor pools and custodial functions. This attitude is illustrated by the term "pants pressers" which FSO's frequently used (often with some justification) to describe administrative personnel. While public administration academics have long rejected the rigid distinction between substance (or policy) and administration, the theory that the two are separate appears to have produced, in the State Department, a reality consistent with the theory. That is, because FSO's tended to view substance and administration as unrelated to one another, and because they saw the former as constituting their proper concern, the FSO's were largely unable (or unwilling) to conceptualize their roles in administrative terms.

The absence of solid support from the Office of the Secretary of State was another major reason for ACORD's eventual failure to gain wide-spread acceptance throughout the Department. OD theorists and practitioners frequently emphasize the necessity of obtaining support for and participation in an OD effort by the highest levels of the organization. In the case of the ACORD program at State, of course, this meant the Secretary of State and his immediate subordinates. Historically, problems of management and organization have been, at best, only secondary concerns for Secretaries of State; and Dean Rusk, who held that position during the Crockett era, was no exception. While Rusk's expression of concern about the sluggishness and lack of responsiveness of the agency had given Crockett some leverage in implementing prior management

initiatives, the Secretary's increasing preoccupation with the Viet Nam War left him little time to become acquainted with, or give support to, the various Crockett programs such as ACORD and CCPS. Even if Rusk had known about the ACORD program, it is not certain that he would have been supportive of the effort. Although Rusk was not a career Foreign Service officer, he seems to have shared many of the traditional Foreign Service values which ACORD was attempting to change.

The last impediment to ACORD's acceptance by the State Department had to do with Crockett himself. Apart from his status as a Wristonee and his close association with Congressman Rooney (who was both universally feared and disliked by members of the State Department), Crockett's aggressive management style won him numerous enemies within the Department. However conceptually sound his management initiatives may have been (and they were legitimately debatable in that regard), the means by which many were implemented were seen by some as differing considerably from the participative Theory Y principles which Crockett later espoused and attempted to put into practice. By the time ACORD was created, Crockett's reputation for management by fiat had so depleted his reservoir of personal influence with the Foreign Service that ACORD or any major new "O" area program initiated under his auspices was bound to encounter difficulties in gaining acceptance.

Mistakes in Management and Implementation of ACORD. While the shortness of ACORD's life span, in part, can be attributed to the resistance to OD by the Department as a whole, the program's early termination appears to have been aided by several factors specific to the ACORD program and staff. These factors fall into three categories: the use of T-groups in ACORD, mistakes in the management and implementation of the program, and the inability to utilize fully and effectively the external NTL consultants.

It was noted earlier that the emphasis on sensitivity training was greater in ACORD than in most other large OD efforts. While this approach was partially justified by the seeding theory and by administrative convenience, it appears to have reflected, in addition, an inability of the NTL and ACORD managers to implement a coherent and systematic strategy which employed alternative OD interventions. The wide-spread use of T-groups did not require as careful attention to planning as would a team development approach to OD in which the consultant's interventions must be specifically designed for and timed to coincide with substantive organizational tasks and programs.

A second weakness of the heavy emphasis on T-groups was mentioned by one of the NTL consultants interviewed for this report. He stated that, as

part of a reaction against the strong cognitive and task orientations which dominated the Foreign Service culture, the attempt to legitimate the expression of feelings and emotions through the use of T-groups led to a tendency to separate emotional from task considerations. The failure, in some cases, to use the laboratory method effectively as a means for improving the performance of tasks lent some credence to the charge that the T-groups were not suited to the substantive needs of the Department.

Thirdly, ACORD's preoccupation with T-groups reflected the particular orientation of both Leland Bradford, the President of NTL, and Charles Seashore, NTL's co-manager of the program. Both were primarily sensitivity trainers, rather than OD consultants experienced in team development activities, in contrast to most of the other NTL consultants who several years prior to ACORD had begun to shift toward more of a team development approach to OD.

In retrospect, the heavy emphasis on T-groups seems to be at least partially justified, however. Many of the subsequent team development efforts in various sectors of the Department probably would not have been started without the prior participation of key agency people in the early labs. Further, in one instance, a team development workshop was conducted in which the manager of the group had not previously attended a T-group. His lack of prior knowledge about and exposure to the laboratory approach, according to a report by the group's consultant, significantly reduced the effectiveness of the workshop.

Perhaps the major mistake in the implementation of ACORD was that it came too late during Crockett's tenure at the State Department to have as significant an impact as it might otherwise have had. Since the management staff perceived ACORD as a means for facilitating the implementation of other management initiatives, such as CCPS, an earlier awareness of OD by the Crockett group might have radically altered the processes by which prior programs were developed and implemented.

A second problem in the implementation of ACORD had to do with its lack of visibility in the State Department. Crockett himself acknowledged that he did not do a very good job of promoting ACORD, especially its team development aspects. Although ACORD's early emphasis was on the use of T-groups, within a few months after the program's creation, team development had begun in a number of the State Department bureaus. However, with the exception of the people who participated directly in those team development efforts, the typical view was that ACORD was synonymous with T-groups. Thus, the scope and nature of ACORD, as envisioned by most of the staff

and consultants, was largely unknown to the Department as a whole.

A third problem with the way in which ACORD was carried out was the lack of voluntarism perceived by some participants regarding their attendance of the T-groups. Ideally, both as an ethical concern and as a practical matter, people who participate in labs should do so on a voluntary basis, rather than attend because others insist or tell them that it would be in their "best interests" to do so. In the case of the ACORD labs, participants were invited, rather than ordered, to attend; however, the issuance of the invitations was usually over Crockett's signature. Since Crockett was responsible, either directly or indirectly, for numerous and important personnel assignments (most notably, the appointment of new DCMs), persons invited to attend labs occasionally sensed that a decision to decline an invitation would entail some personal risk.

Mistakes in the Utilization of External Consultants. ACORD cannot be faulted for lacking external OD consultants of sufficient talent and status. Because of the prestige of the State Department and the personal influence of Bradford, ACORD attracted through NTL probably the most impressive array of talent ever for a single OD effort. That strength, however, also had certain liabilities. First, given the lofty status of the consultants, occasional conflicts which arose were not easily managed or resolved by the NTL manager of the program, Charles Seashore.

Secondly, since most of the NTL consultants had full-time teaching and research positions at universities, the summer months were the only extended periods of time that many could devote to ACORD. Especially for those who lived on the West Coast, short-term involvement in either T-groups or team-development workshops entailing little or no follow-up were often the only possible ways to use their services, thus intensifying the difficulties of implementing a coherent, long-term OD program. The sporadic involvement of many of the consultants resulted in the use of an excessive variety of personal styles and training approaches.

SILLOVERS OF THE ACORD PROGRAM AFTER ITS TERMINATION

Although ACORD was not officially terminated until March, 1968, nearly all OD activity conducted under its auspices had concluded by Fall of 1967. It is possible to speculate, however, about some longer-term effects which ACORD had on the State Department and elsewhere in the government, even though the evidence is circumstantial.

While ACORD embraced a set of norms which was incompatible with the mainstream of the culture of the Foreign Service and the State Department, it had strong appeal for many of the lab participants who were searching for new answers to some old management problems. It also provided a forum for a growing number of dissident voices in the Department who were urging fundamental changes in the values and modes of operation in the Department. The most notable formal expressions of the growing reform movement were the publication in late 1968 of the afore-mentioned AFSA report, *Toward a Modern Diplomacy*, and the so-called Macomber report, *Diplomacy for the '70's*, published two years later. These two reports represented collective efforts at internal reform of the Foreign Service and the State Department, respectively. The spirit and content of each report is noticeably similar to the values and objectives (but not the methods) of the ACORD program. The similarities are most striking in the case of the Macomber report, for which at least eight former participants in ACORD labs served as task force leaders or members. The report, which included such chapter titles as "Stimulation of Creativity" and "Openness in the Foreign Affairs Community," strongly encouraged an increased recognition of management responsibilities inherent in positions of leadership.

An additional, but less lasting, spillover of ACORD was the use of sensitivity training as part of the Senior Seminar program at the Foreign Service Institute. Lewis Jones, director of the program until his death in 1969, had been a participant in one of the early Airlie House labs. Stemming from discussions with Richard Barrett, Jones regularly invited several of the NTL ACORD consultants to conduct T-groups on a regular basis.

A graduate of one of the FSI labs, Joseph Toner, later became Director of the Office of Personnel of the Agency for International Development, where he encouraged the establishment of an organization development program. The AID OD program has now been in existence since 1969 and is probably the oldest currently-operating organization development effort in the federal government.

Opinion differs both in government circles and in the academic OD community regarding the effect of ACORD on the acceptance and implementation of OD in other federal agencies. Because of the controversy stirred up by the publication of the Argyris report, there was some speculation that the report would retard the acceptance of OD in other federal agencies. With the exception of a majority of letters which appeared in the *Foreign Service Journal*, however, most of the press accounts of the report were either neutral or favorable regarding both the accuracy of the report's contents and the decision made by Crockett to publish it. Given the relatively favor-

able press reviews of both the Argyris report and ACORD, statements that public and government reactions to ACORD set back the OD movement in other federal agencies appear to be unsupported. During the last seven or eight years, in fact, OD programs of various shapes and sizes have been initiated in more than half the bureaus and agencies in the government. OD seminars and training programs also are offered by the staff of the Federal Executive Institute, a federal training and development center for senior government officials.

ASSESSING THE EFFECTS AND EFFECTIVENESS OF ACORD

A commonly employed criterion in judging the success or effectiveness of agency programs is whether they generate sufficient support among influential actors to survive long enough to achieve their objectives. ACORD existed as a formal organizational entity for only two years and actually operated for a period of some three or four months less than that. Its demise was a direct result of Crockett's departure and his replacement by Idar Rimestad, who did not support the program. It may be premature to assess whether ACORD achieved either its stated or implicit objectives without first considering whether the objectives themselves were supported by a significant portion of influential persons in the State Department. Indeed, whether OD was either an appropriate method for improving the management of foreign affairs or was a "scientifically" proved or valid approach is secondary to the issue of whether the Department as a whole was willing to embrace an expanded management role and acknowledge the need for a transformation of its value system and culture. It is impossible to separate the instrumental question of whether ACORD "worked" (or whether OD generally was an appropriate set of "techniques") from the broader value questions surrounding the purposes for which the ACORD program was established. To regard OD primarily as other than a value issue is to misunderstand the crucial nexus between means and ends, methods and values, and administration and substance.

This should not be interpreted to mean that debate over technique or method is unimportant; some of the people intimately associated with ACORD who were sympathetic to its objectives found much to disagree about regarding how the effort ought to be run and which specific interventions were best suited to achievement of the program's objectives. As in most other organization development efforts, strategic and tactical errors

were made in ACORD, and some of these no doubt contributed to its lack of acceptance in some quarters and hastened its demise.

Because both its stated and implied objectives were so sweeping in nature, it would be folly to argue that ACORD was successful in achieving them. In the two years of the program's existence, only a small cross-section of the total Department was ever directly exposed to interventions of the ACORD staff and consultants. In defense of the program, it should be noted that those who did participate in either ACORD T-groups or team development workshops were, with some exceptions, the strongest supporters of the OD effort, even though many of them were highly skeptical at first about its possible benefits.

Although many of the participants gradually came to accept the T-groups as a powerful vehicle for facilitating their individual development and growth, the effects of the labs on the participants' subsequent performance of management tasks or other job-related activities is not clear. Whether sensitivity training has any significant effect on subsequent behavior in organizational settings has long been a point of controversy. The research generally supports the view that the long-term effects of T-groups are rather limited in this respect. Two quite different conclusions can be drawn from this: since sensitivity training is, in most cases, ineffective as a means for attempting to change the behavior and values of organization members, it should, therefore, not be employed for that purpose; or, recognizing that T-groups alone are an insufficient means for inducing behavior and value change in organizations, they should be employed in conjunction with other behavioral science-based interventions when they are found to be effective in preparing the client group for subsequent elements of an OD effort.

Either of these two conclusions presumes that the decision of whether to employ T-groups and other laboratory approaches to learning should be made on the basis of instrumental (utilitarian) criteria. A quite different view is that, as a matter of personal right, organization members should be afforded opportunities for personal growth and development, irrespective of a demonstration that development contributes to the attainment of organizational objectives. Thus, if organization members find that T-groups contribute to their personal growth, that may be reason enough for the sponsorship of such activities by the organization.

It is evident that ACORD did not "succeed" in transforming the culture and value system of the State Department. Under the best of circumstances, OD efforts usually take at least three to five years before they may be said to be successful, given the

magnitude of the purposes they set out to achieve. Although some of its supporters, such as Alfred Marrow, later claimed that ACORD and other Crockett programs constituted a "managerial revolution" in the State Department, the revolution was never consummated. ACORD did, however, sow the seeds of revolt, some of which are still germinating. ACORD may have been instrumental in creating a climate marginally receptive to a thoughtful consideration of the AFSA and Macomber reports, although few of their recommendations have ever been implemented fully. Whether ACORD helped to create, or merely capitalized upon, a growing climate for change in State is not entirely clear. The answer is probably a combination of the two.

It is unfortunate that standards of success of government programs are usually set as high as they are, for they are seldom, if ever, met. Such a tendency, which fosters an "all-or-nothing" view of success, would suggest that ACORD did not succeed because it failed to perform miracles.

In view of the context in which the ACORD effort was begun and carried out, and given more modest criteria by which to judge its effectiveness, ACORD was remarkably successful in a number of areas. With a little luck and some needed support from the highest levels of the Department, ACORD might have survived and prospered to the present day.

EFFECTS OF THE ACORD PROGRAM

1. *What Were the Effects that ACORD Was Intended to Achieve?* The formally stated objectives of ACORD were to: (a) increase the effectiveness of decision making in the Department (principally at the country level) by means of team development interventions; (b) promote collaborative relationships and the creative use of conflict; (c) foster interpersonal trust and risk-taking; and (d) develop more effective managers in the State Department.

The informal objectives of the program were to: (a) facilitate the implementation of management initiatives previously undertaken by Crockett and members of his staff; (b) bring about a greater awareness within the Department of the inherently managerial nature of many of its activities, and, in a broader sense, (c) induce fundamental changes in the culture of the State Department.

2. *What Effects, Intended or Otherwise, Were Actually Experienced?* The formal objectives were, at best, achieved only to a marginal extent, except in the Africa Bureau, a few countries in Latin America, and some sectors of the "O" area where support for ACORD by the client groups was present.

The informal objectives of ACORD, such as facilitating the acceptance of CCPS and increasing the perceived importance of the management function on the part of the Foreign Service, were also only achieved to a limited degree. For example, in Latin America, where the Bureau structure was conducive to an effective use of the country team approach, the ACORD staff was moderately successful in assisting in the implementation of country-based planning and programming efforts.

With regard to enhancing an awareness of the "management" aspects of the Foreign Service Officers' roles, ACORD was somewhat more successful as judged by the enthusiasm for the T-groups by the relatively small number of people in the Department as a whole who actually participated in them. Whether the T-groups had a lasting effect on the participants is difficult to ascertain. However, several participants, on the basis of their experiences in the T-groups, later employed ACORD staff members and consultants in conducting relatively long-term OD efforts in their organizational units, especially in the Africa Bureau.

The unintended effects of ACORD were to increase public and Departmental awareness of serious managerial deficiencies at State, as well as of the cultural norms in the Department which were the basis of those deficiencies. To some extent, however, the controversy about the management problems at State generated a defensive posture on the part of many Department officials, which had the effect of inhibiting any serious management change efforts.

3. *What Factors Appear to Have Been Responsible for the Actual Effects Brought About by ACORD?* To the limited extent that ACORD was successful in achieving either its formal or informal objectives, that success was in large part due to the disenchantment in some quarters at State about the management of the Department and the rather wide-spread unhappiness of many FSO's with the nature of their roles. To a substantial portion of the Foreign Service corps (though certainly not to a majority), ACORD illuminated alternative norms and modes of behavior not previously perceived as possible or legitimate.

Perhaps more important, however, are the reasons why ACORD was *not* more successful than it was. These reasons, perhaps, constitute the most lasting lessons of the ACORD experience.

First, ACORD was too little, too late. Both Crockett's management style and his prior management programs had made large segments of the Foreign Service skeptical about the OD effort. In order to be successful, ACORD required, but did not achieve, a substantial degree of support and acceptance by its intended beneficiaries.

Second, the underlying norms and values of organization development were so divergent from those of the State Department that the cultural change expected by the ACORD staff was unrealistic from the outset.

Third, OD efforts generally require support from the highest levels of the organization—a requirement lacking in the case of the ACORD program.

Fourth, ACORD was sometimes perceived by much of the Department as yet another “program” imposed upon them by “management types” whom they distrusted, rather than as a serious attempt to deal with the substantive concerns of the Department.

Finally, the expectations for the effort made by the ACORD staff were so high that a substantial realization of them was unrealistic.

The Nixon-Kissinger National Security Council System, 1969-1972: A Study in Foreign Policy Management

by Chester A. Crocker

I. INTRODUCTION ¹

This is a case study of the effort by former President Richard M. Nixon and Henry A. Kissinger, his Assistant for National Security Affairs, to create the first fully White House-dominant system for the management of foreign policy. That effort, based on a restructured National Security Council system, was directed toward their goal of personally devising purposeful and coherent policies responsive to what they perceived to be a watershed era in U.S. foreign policy. This study concentrates on the organizational actions taken and the operating procedures developed to run the new system during the years 1969-1972. Its purpose is to analyze an attempt to build a highly centralized structure for Presidential leadership in foreign affairs. As such, the study is in no sense an evaluation of substantive foreign policy during those years.

The study is part of a series of cases prepared for the Commission in order to shed light on the reasons for success and failure in efforts to reform the organs and rules of foreign policy making. Unlike many of those cases, the Nixon-Kissinger NSC system was the organizational blueprint of incumbents with power and the determination to use it, not of an advisory panel of experts whose reform mandate is either derivative or non-existent. Hence, the task is not to examine whether the architects plans were, in fact, built but to assess whether the completed structure fulfilled the purposes and performed the

¹The writer wishes to make clear his aim of elucidating the workings of a system. The case is not a critique of individuals identified or referred to, nor an effort to expose actions that may, inevitably, be the object of critique by others. He further wishes to express his appreciation to former colleagues on the National Security Council staff and in the principal agencies who were of help in reconstructing the story. The case rests on the writer's personal experience on the NSC staff during the years 1970-1972, interviews, and the published record.

missions for which it was designed. Judgments as to the effectiveness of the reform hinge in large measure on criteria of the architects themselves—though other process criteria are brought in as well. Although the two topics happily intersect, we are analyzing one attempt to build a White House dominant system more than we are weighing the merits of trying to do so.

II. HISTORICAL AND INSTITUTIONAL CONTEXT: PRE-1969

a. *Competing Models.* It is essential in any system for the making and carrying out of policy that there be a central point, or points in centralized interaction, for decision. It is similarly required that the principal actors have at their disposal not only operating "line" subordinates, but staff capable of digesting, analyzing, synthesizing, and communicating issues and actions from the principals' perspective. In a complex, multi-agency setting such as U.S. foreign policy has been at least since the 1930's, there is a further requirement for a vehicle of coordinating, if not harmonizing,² diverse preferences and interests. To be sure, the costs of over-centralization and over-coordination must be recognized, but in the complex institutional setting of foreign policy, this risk has generally been less real than the risk of anarchy—the absence of leadership and control.

In the American experience since 1945, the at-

²For a Foreign Service view of the critical but often neglected role of "interagency coordination at the operational levels", see Lannon Walker, "Our Foreign Affairs Machinery: Time for an Overhaul", *Foreign Affairs*, January 1969, p. 311; for a government-wide perspective on the problems of coordination, see Harold Seidman, *Politics, Position and Power* (New York: Oxford University Press, 1970), Chapter VI.

tempt to meet these requirements has produced widely varying mechanisms of management depending on such factors as Presidential "style", the play of personalities at the top level, and the periodic creation of strong, general purpose staffs serving one or more principal decision makers.³ Since the National Security Act of 1947, these experiments have taken place along side or within the statutory National Security Council, but the Council itself and its various supporting mechanisms have been but one, frequently minor, element in the larger picture of foreign policy decision making.

The principal questions to be asked in weighing the legacy inherited by President Nixon and his advisors in 1969 are what trends and pressures existed or appeared to exist in the way Presidents should manage the foreign policy process, and what was the role of the NSC mechanism in these developments? At first glance, it might appear that each Presidential system was simply the product of random Presidential preferences and the natural desire to change what one inherits.

President Truman,⁴ we are told, was initially suspicious of the newly-legislated NSC and allowed it only a subsidiary, advisory role. Its staff, though autonomous from that of operating agencies, was shaped to be more a small, personal staff than an independent one serving the interagency mechanism to which little was actually delegated. Though he made increasing use of the Council during the Korean war years, the Council and NSC staff did not develop the critical mass to develop a life of their own. The Truman system's center of gravity clearly lay in the State Department and the Truman-Marshall/Truman-Acheson relationships.

By contrast, President Eisenhower created an elaborate, highly formalized, and comprehensive NSC system designed to assure that most foreign policy business, from formulation to implementation, was channeled or monitored through NSC channels. This was a period of institutional proliferation which saw the emergence of the NSC Planning and Operations Coordinating Boards, the NSC Special and Senior Staffs, and the Special Assistant to the President for National Security Affairs. Yet the formal mechanism was almost

wholly dependent on agency personnel nominated to service the NSC structure and a small permanent staff of "scrupulously non-political and non-policy-making" officials to manage, analyze and summarize the paper flow.⁵ Though the Special Assistant himself was "political" in the Eisenhower conception, the NSC system was not an instrument of personal Presidential control. For the latter purpose, the President relied on his Special Assistant, his Staff Secretary, and close personal relations with his Secretary of State.

President Kennedy modelled his foreign policy apparatus conversely to the Eisenhower legacy. Formal procedures and coherent structures were abolished in favor of flexible, action-oriented approaches based on the active involvement of the President and his personal NSC staff at a variety of bureaucratic levels. The NSC, its supporting organs eliminated, became only one of many possible fora for decision, typically used to legitimize the decision process. Meanwhile, although the White House talked of returning the action to the operating agencies (especially State), White House frustration with State's performance (or lack of it) led to an unprecedented role for the NSC staff as the President's personal instrument.

President Johnson retained elements of the inherited structure, especially its informality and close Presidential attention to specific operational problems. But Johnson's personal style and lack of foreign affairs background led him over time to greater reliance on informal meetings with his principal advisors, the Special Assistant and the Secretaries of State and Defense, and reduced contact with lower levels, whether on his NSC staff or the broader bureaucracy. The staff itself gradually changed from a high-powered independent source of initiative enjoying regular Presidential access to a largely agency-staffed group with reduced upward access. Though a significant effort was made to devolve working level coordination upon a series of State-chaired committees (the so-called SIG/IRG system fashioned in 1966), its results were uneven; the Johnson system depended heavily on the top level Tuesday lunch and less frequent NSC meetings.

b. *Emerging Trends.* This brief account would seem to argue for a theory of random reform in foreign policy: among a limited number of alternatives, Presidents and their top men select models according to their personal operating styles and the personal relations among them. As George Reedy has put it: "... a president makes his decisions as he

³The best discussion of the uses and importance of central staffs is in I.M. Destler, *Presidents, Bureaucrats, and Foreign Policy: The Politics of Organizational Reform*, (Princeton: Princeton University Press, 1972), Chapter VIII.

⁴This account derives principally from: The Jackson Subcommittee materials—U.S. Senate, Committee on Government Operations, Subcommittee on National Policy Machinery, *Organizing for National Security, 1960–61*; Keith C. Clark and Laurence J. Legere (eds.) *The President and the Management of National Security* (New York: Praeger, 1969), Chapter IV; Destler, op. cit., Chapters II and V; and Burton M. Sapin, *The Making of United States Foreign Policy* (New York: Praeger for The Brookings Institution, 1966).

⁵As described by Eisenhower's Special Assistant, Robert Cutler, "The Development of the National Security Council", *Foreign Affairs*, April 1956, reprinted in the Jackson Subcommittee materials, *Selected Materials*, p. 59.

wishes, under conditions which he himself has established, and at times of his own determination. He decides what he wants to decide. . . ."⁶ Other writers, disenchanted with studies emphasizing the formal procedures and structures of foreign policy decision such as the NSC, argue that, at best, these provide structure to a bureaucratic political game operating inexorably regardless of who is President.⁷ Neither school is wholly persuasive. For there appear to be several tendencies and patterns in postwar foreign policy machinery which pointed in relatively clear directions on the eve of the Nixon Presidency.

First, despite some continuity of nomenclature, the NSC itself and the NSC "system" came increasingly to resemble statutory shells within which the President and his top advisors were free to organize whatever actual system they desired. The NSC endured as a legitimizing symbol of authoritative decision-making, but its role as a Cabinet-level coordinating and decision body fluctuated.

Second, a critical but little noted date in this evolution is 1953 when the position of Special Assistant to the President for National Security Affairs was established by the President. Under its first incumbent, Robert Cutler, that position gradually evolved to include the chairmanship of the NSC's two principal subordinate bodies and the direction, through his deputy of the NSC "Special" or career staff composed of officials *not* representing or advocating agency positions. The significance of these moves became clear when Presidents Kennedy and Johnson retained and, in fact, built up the roles of the Special Assistant and *his* NSC staff, while permitting the NSC itself to languish and abolishing its subsidiary organs. Composition and functions of the staff fluctuated, but the staff clearly served an evolving Presidential foreign policy apparatus, not as advocates of agency positions or servants of a "neutral" interagency coordinating device. Leverage and influence in the staff flowed to those with access to the Special Assistant and the President, not to more "neutral" officials such as the staff's Executive Secretary, whose secretariat role had changed little since 1947. By 1969, there existed a group of officials performing an impressive array of essentially Presidential staff functions in foreign policy. Its title, the National Security Council Staff, was largely a matter of historical significance and Presidential convenience.

Third, the 1960's saw a steady and significant increase in the technical, logistical, informational, and secretariat capabilities of the White House to

act and react independently in foreign affairs and to coordinate or lead the principal operating agencies. A key development in this process was the establishment of the White House Situation Room in 1961 as a rapid-response information and communications handling center at the service of the President and Special Assistants McGeorge Bundy and Walt Rostow. Equally important was the gradual increase in routing of intelligence reports and diplomatic cable traffic to the NSC staff from the agencies, and the development of procedures whereby the White House became involved in clearing (and in some cases even drafting) outgoing State telegrams. In the long view, these were among the more important actions permitting the NSC staff to become an autonomous Presidential staff capable of bureaucratic initiative to protect and act for the President by seizing issues out of routine channels, intervening with working levels in the agencies, and covering agency papers and recommendations with their own analysis.

Fourth, the entire postwar experience seemed to confirm the lesson that bureaucratic initiative and leverage for key actors in foreign policy is a matter not only of high-level personal relations but of strong and capable staffs supporting them. I. M. Destler has identified the key staff functions in foreign policy: "servicing the day-to-day business of the boss . . . ; providing him a range of information and analysis; stimulating review of present policies and working for needed changes; and performing operational coordination."⁸ Given a principal actor desirous of really running his own organization and having an influence with others, such a staff would appear to be a prerequisite. Seasoned participants will argue that the two conditions of effective staffs are (a) that they possess a "critical mass" of substantive professionals capable of independent analysis and advocacy, and (b) that they work for a man with power at the principals' level. The rise and decline of foreign policy agencies can be explained partially in these terms.

Finally, the proliferation of agencies, programs, and policies dealing with external relations since World War II has increasingly pointed up the need for an effective coordinating mechanism below cabinet level. The State Department has convinced many observers that without substantial internal changes, it is neither willing nor able to do this job.⁹ In 1966, President Johnson moved to reinvigorate

⁶George E. Reedy, *The Twilight of the Presidency*, (New York: World Publishing, 1970), p. 31.

⁷See Morton H. Halperin, *Bureaucratic Politics and Foreign Policy* (Washington, D.C.: The Brookings Institution, 1974), p. 105, 115.

⁸Destler, *op. cit.*, p. 230; Destler also identifies a fifth function developed under President Nixon: "managing a general policy formulation process."

⁹See among others, Clark and Legere, *op. cit.*, Chapter VII; Destler, *op. cit.*, Chapter VI; American Foreign Service Association, *Toward a Modern Diplomacy*, AFSA, 1968, Chapters I-III and Annex A-7; William B. Macomber, Jr., *Diplomacy for the 70's: A Program of Management Reform*, (Washington, D.C.: Government Printing Office, 1970).

State's coordinating function with NSAM 341, creating a series of State-chaired interagency committees. But for a complex of reasons, including State's internal structure, a bureaucratic culture emphasizing defense of a narrow domain, and lack of engagement by the Secretary and the President in the reform, the effort was only marginally successful.¹⁰

In sum, on the eve of Nixon's Presidency there were latent institutional pressures toward continued and perhaps increased Presidentialism in foreign affairs. The NSC itself languished while "its" staff became a Presidential staff dependent on the Chief Executive personally. New technical, administrative, and management capabilities were available directly to the President. The significance to top levels of possessing competent staffs was readily apparent. State's weakness as a key coordinator was generally conceded. The temptation to destroy existing White House assets or ignore existing bureaucratic opportunities was minimal. To be sure, there remained considerable debate among the experts, many of them experienced participants, as to the desirability of continuing current trends.¹¹ Moreover, there had developed a general belief that the existing system did not give the President the handle he required on a central point of devolved responsibility which could protect him from bureaucratic politics while protecting the system from high-level "ad-hocery" and a lack of clear written guidance. But even critics of White House centralization did not question the concept of strong Presidential leadership in foreign affairs: the debate was over where to house the President's central point of policy formulation and coordination. In this environment a State-centered alternative clearly existed, but recent experience had offered little incentive to believe in it.

III. STIMULUS AND GOALS OF REFORM: 1969

When the Chief Executive and his key foreign affairs advisor apply themselves to institutional re-

¹⁰For a full account, see William I. Bacchus, "Obstacles to Reform in Foreign Affairs: The Case of NSAM 341", *Orbis*, Spring, 1974.

¹¹The Heineman Report (*Final Report of the President's Task Force on Government Organization*, "Organization for the Management and Coordination of Foreign Affairs", October 1, 1967) for example called for Presidential reliance on the Secretary of State as his principal advisor and coordinator in government-wide activities and for major changes in State's organization to enable him to do the job; the so-called IDA Report (Clark and Legere, op. cit., pp. 102-114) offered three models for management: State-centered, White House-centered, and "intermediate" and pointed up the drawbacks to concentrating staff and functions primarily in the White House.

form, one may expect that their objectives will be personal as well as institutional. They are, after all, designing their own leadership opportunities and a power base for achieving whatever substantive policy goals they hold. These must be consistent with their preferred style and perceptions of the broader governmental arena. Similarly, when the top men turn reformers, one may anticipate several "levels" of explanation for what is being done and why, leaving to the observer the task of deciding which were, in fact, the operative motives and goals. The historical record does not yet permit conclusive judgments, but it does suggest a range of factors triggering the desire for change.

a. *Goals and Motives of Two Men.* It is a truism to record that high office attracts (and rewards) the ambitious, but the concept of political ambition becomes more useful when seen as the search for *personal* or *private*¹² control of the levers of power. If such a tendency exists, there may have been reasons for its accentuation in the pre-1969 background of Richard Nixon and Henry Kissinger. Neither man had previously managed complex, large-scale organizations and thereby experienced the potential limits of personal grasp or the potential benefits of delegation. On the other hand, both men had recognized competence in the foreign affairs field which could not but promote confidence in their capacity to decide and act on their own. Despite this, both men had experienced an uneven fate at the hands of their respective peers and publics, suggesting the possibility of a well-developed desire to protect one's flanks.¹³

By 1969, each man had developed, in different ways, a reputé for protecting his own personal leverage: the President, through a style emphasizing self-reliance and private decisions taken apart from the influence of advisors; Kissinger, through the careful development of the bases and lines of influence in both academic and policy circles and by a sharpened sensitivity to potential threats to his privileged relations with the influential.¹⁴

Two themes had appeared in campaign statements related to the future President's strategy for managing foreign affairs. First, foreign affairs lead-

¹²George H. Quester " 'Priviness' as the Central Goal in Politics", *Public Policy*, Vol. XIX, #4 (Fall 1971).

¹³The reference in the case of Nixon is, of course, to electoral defeat. In the case of Kissinger, to an initial denial of tenure on the Harvard faculty, to the critical reception of his first important published work, and to his experience as a consultant with the Bundy NSC staff. See the contrasting (but concurring on this point) accounts of: Marvin and Bernard Kalb, *Kissinger* (Boston: Little, Brown, 1974), pp. 50-65; David Landau, *Kissinger: The Uses of Power* (Boston: Houghton Mifflin, 1972), pp. 73-88; Joseph Kraft, "In Search of Kissinger", *Harper's*, January, 1971.

¹⁴For an example of the latter, see Kalb and Kalb, op. cit., p. 16-17 describing Kissinger's position on the Rockefeller campaign staff during 1968.

ership could come only from the President himself, and he intended to exercise such leadership. Second, for the President to lead, he must have clear procedures, structures, and rules governing the decision-making process. A principal critique of the Kennedy and Johnson models was their lack of such structure, their informality, and free-wheeling spontaneity. Candidate Nixon went so far as to credit the foreign policy achievements of the Eisenhower period in part to the orderly NSC (in which he had participated as Vice-President), while connecting the more recent debacles of the 1960's to a Kennedy and Johnson style of operation characterized, in Nixon's words, by "catch-as-catch-can talkfests" between the Chief Executive and his principal advisors.¹⁵

Henry Kissinger's published record before 1969 included numerous discussions of administrative structure and decision making in foreign policy.¹⁶ His central theme for over 10 years had been the overwhelming importance of *purposes* over *techniques*. The central problem he identified was how to achieve primacy for purposeful action and creative thinking in an increasingly bureaucratized environment. For bureaucracy, though unavoidable in the modern age, brings with it routine, the reduction of problems to objective components capable of being resolved by an "average standard of performance." In the process, he argued, decision making becomes fragmented along administrative lines, issues are framed in institutional rather than substantive (policy) terms, and choices made as the result of an adversary proceeding between bureaucratic components. The rigidity inherent in large organizations sets up a pattern of resistance to change, to the impact of the individual or to decision of any kind, the factor to which he attributed the often ad hoc or "reactive" character of U.S. policy. Though the task of executives is to "infuse" the process with creativity transcending routine, too often they become pre-occupied with the job of harmonizing conflicting organizational interests so that the act of decision becomes more important than its content.

Though quick to emphasize the problem, Kissinger's pronouncements offered few easy panaceas.¹⁷ Most planning staffs, he noted, are "sops to ad-

¹⁵Reports of campaign addresses in *The New York Times*, September 19, and October 25, 1968.

¹⁶See these three articles by Henry A. Kissinger: "The Policymaker and the Intellectual", *The Reporter*, March 5, 1959; "Domestic Structure and Foreign Policy", *Daedalus*, Vol. 95, #2 (Spring 1966); and "Bureaucracy and Policy-Making: The Effect of Insiders and Outsiders on the Policy Process" in Henry A. Kissinger and Bernard Brodie, *Bureaucracy, Politics and Strategy*, Security Studies Paper #17, University of California at Los Angeles, 1968.

¹⁷When discussing the State Department, neither Kissinger nor the President resisted the temptation to offer such quick remedies as "cleaning house" (Nixon, 1968 campaign) or "get-

ministrative theory", which nonetheless come to develop interests and a momentum of their own, thereby compounding the leader's problem. Necessarily aware of the morale and internal divisions of his staff, his decisions come to reflect "an attainable consensus rather than substantive convictions". Nor are increased expertise and information the solution since they only add to the executive burden and divert attention from the act of judgment without providing criteria for judgment. The obstacles to creative action and new policy thus lead the executive to his only escape: "extra-bureaucratic" action such as the use of personal envoys, keeping key decisions to small groups which do not share them with the bureaucracy whose function it would normally be to carry them out. Such procedures, despite the pitfalls, are used for "many of the most important decisions".

As to organizational proposals, Kissinger told a 1968 audience that a combination of prior Presidential systems ("the procedural regularity of Eisenhower with the intellectual excitement of Kennedy") should be the goal. But he was specific only about what should be avoided: the excessive formalism of the 1950's which enabled agencies to dominate the NSC system, and the amorphous, unstructured style of Kennedy and Johnson.¹⁸

b. *How the New Model Emerged*. The two men thus shared a desire for and belief in personalized executive control of foreign affairs machinery well before Nixon recruited Kissinger as his Assistant for National Security Affairs in late November, 1968. Implementation of shared preferences occurred in tandem with the rapid flowering of a close, private relationship that would form the very core of the Nixon-Kissinger NSC system. Introducing his new appointee at a December 2 press conference in New York, the President-elect remarked that "Dr. Kissinger has set up what I believe—or is setting up at the present time—a very exciting new procedure for seeing to it that the President of the United States does not just hear what he wants to hear, which is always a temptation for White House staffers."¹⁹ The timing slip by Nixon—Kissinger had accepted the position but three days earlier—might imply either that Nixon had designed his model alone or that it had been worked out in a hurry.

In fact, there were several influences on the "new procedure" that was formally unveiled to the public after the Inauguration. First was General Andrew J. Goodpaster, Eisenhower's Staff Secretary and manager of the daily national security paper flow,

ting rid of the bottom half of the Foreign Service" (Kissinger, University of California Seminar, cited in note 16).

¹⁸Ibid.

¹⁹Kalb and Kalb, op. cit., p. 27.

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who brought historical continuity with the structured NSC system of the 1950's as well as first-hand familiarity with its shortcomings. Goodpaster predated Kissinger on the Nixon transition staff. Having direct access to Nixon, he reinforced the President-elect's preference for a structured, White House-centered system.

Second, Kissinger himself was of course directly involved; design of such a system was one of his first assignments. Kissinger was familiar with recent studies of foreign policy making structures (in particular the Clark and Legere study) but appears to have offered no specific blueprint to his new subordinates, preferring to let them propose detailed ideas.

A third architect was Morton Halperin, hired by Kissinger in mid-December from his post as Deputy Assistant Secretary of Defense for International Security Affairs, a McNamara appointee with first-hand knowledge of the "options" system developed to serve the Secretary of Defense. Lawrence Eagleburger, an experienced Foreign Service officer, was another participant, recruited by Kissinger from Nixon's New York office where he had been posted by the State Department to handle diplomatic traffic. At Kissinger's direction, Halperin and Eagleburger prepared detailed proposals incorporating the President-elect's desire for a coherent, formal structure without the sterility and bureaucratic treaty-making aspects of the Eisenhower model. Goodpaster and Kissinger approved them.

Equally important are the influences that were absent at the designing stage. The President-elect had chosen a major, substantive figure in foreign policy circles to be his personal advisor before choosing a Secretary of State. This action confirms that of the available strategies for Presidential leadership, a White House-centered system based on the Assistant, a mixed system, or a State-centered one based on the Secretary, Nixon had chosen the first. Similarly, there was no input from other appointees or from the foreign policy institutions as such at the design stage. Not surprisingly, given the preferences and attitudes of the two men, the new system gathered unprecedented authority and initiative to the White House, undercutting much of what remained of State's coordinator or manager role. The completed model was presented by Kissinger to the Secretary of State-designate, William P. Rogers, who raised no objections. Formal presidential approval of the new system followed shortly thereafter. It was left to Under Secretary of State for Political Affairs, U. Alexis Johnson, to protest to Kissinger the model's clear implications for State.

c. *Goals in Perspective.* For both Nixon and Kissinger, there was a belief in the desirability and necessity of direct, personal control over the for-

eign affairs machinery to instill it with direction, coherence, and purpose. For both, the record indicates not only an ambition to undertake foreign policy leadership but self-confidence in one's ability to do so effectively. This, however, required a system for management of the broader governmental machine that would (1) relate actions and programs to objectives in a more meaningful way, (2) prevent capture of the top men by the agency perspectives and interests of the bureaucracy, and (3) master the bureaucratic political process by ordering it into specific, recognized channels. To the extent that each believed the coming period would require major policy changes and perhaps unpopular decisions, the new system would have to assure adequate mastery of the process by the White House to permit both flexibility of the leadership and responsiveness to it.

To carry out such a program, the new President would need a source of advice and a bureaucratic manager of the formal system who was at once (a) autonomous of an operating agency, (b) wholly dependent on him for the access, confidence, and leverage necessary for effectiveness, and (c) yet a highly reputed addition to the prestige of White House thinking in foreign affairs. The elaborate new structure had obvious cosmetic advantages, suggesting as it did an orderly and systematic consideration of the issues and options prior to Presidential decision. But it had the merit as well of apparent consistency with Nixon's style and philosophy. Designed to generate a range of possible choices for his consideration, it would reserve to him the act of choice free from the impact of informal, one-on-one encounters with his lieutenants.

As a newly appointed Presidential advisor, Kissinger would have as his central objective the maintenance and strengthening of the private, privileged relationship with the President on whom his position depended. To protect his Presidential access would require both demonstrated competence and unambiguous personal loyalty.²⁰ But it would also require protection of his flank from the agencies and Cabinet members who also sought Presidential access. Though the impetus for an elaborate structure came primarily from Goodpaster and the President, Kissinger (as we have seen) did not dispute its advantages. He could not, to be sure, foresee fully the extent of the Presidential confidence he would come to enjoy. But he could know that his institutional role as manager of the policy mechanism would assure him (a) a strong substantive staff with its ensuing bureaucratic advantages, (b) the right of access to communications, recommendations, and studies produced within the govern-

²⁰See Destler, *op. cit.*, p. 90.

ment, (c) authority to force consideration of policy issues on substantive rather than agency terms, and (d) a rationale for reviewing, as a nominally "neutral" manager, all recommendations to the President.

IV. LAUNCHING THE NEW SYSTEM

By Inauguration Day, 1969, a new instrument for the development and coordination of foreign policy had been created; it was communicated to the affected departments and agencies within 24 hours in a series of National Security Decision Memoranda.²¹ Together with major elements of the staff that would bear its name, the NSC system was functioning before Cabinet officers had moved into their offices or named their key subordinates. It was a fast start. The structure was designed to work as follows:

a. *The National Security Council.* At the apex of the new system, the statutory-based NSC was identified as the President's "principal forum for the consideration of policy issues on which he is required to make decisions." NSC meetings would be frequent and regular and would be confined to the statutory membership (President, Vice President, Secretaries of State and Defense, Director of Office of Emergency Preparedness) and designated advisors including the Presidential Assistant for National Security Affairs, the Under Secretary of State, the Director of Central Intelligence, and the Chairman of the Joint Chiefs of Staff. At the same time, it was emphasized that the NSC is a senior "advisory" panel to the President, a "forum for discussion" of the issues, alternatives, their implications, and recommendations: the President himself would make the decisions, typically after "further private deliberation, subsequent to NSC consideration of the issues."²² Nonetheless, the Council would operate in an orderly fashion, with a specific agenda, normally consisting of items that had been reviewed at subsidiary levels in the NSC system, and

²¹Though not in the public domain, the key NSDMs are reflected in Department of State, *Foreign Affairs Manual Circular*, #521, dated February 6, 1969 and a February 7, 1969 White House announcement, printed in *Weekly Compilation of Presidential Documents*, Monday, February 10, 1969, Vol. 5 #6. For the official explanation, see Henry Kissinger's letter to Senator Henry M. Jackson of March 3, 1970, published in U.S. Senate, Committee on Government Operations, Committee Print dated March 4, 1970, entitled "The National Security Council: Comment by Henry A. Kissinger"; and, the chapters on the NSC System in the President's *Reports to the Congress: U.S. Foreign Policy for the 1970's*, Vol I and II. For discussion of the formal system, see also Edward A. Kolodziej, "The National Security Council: Innovations and Implications", *Public Administration Review*, xxix, 6 (November-December 1969).

²²Kissinger letter to Senator Jackson, op. cit.

followed in most cases by written Presidential decisions (NSDMs).

b. *The Committee Structure of the NSC System.* One of the most telling shifts in the new system was the prompt rescinding of NSAM 341, the 1966 Johnson measure which had created the State-chaired SIG/IRG network of interagency committees, and its replacement with a new set of committees now formally part of the "NSC system". Though Kissinger's subordinates were apparently successful in obtaining the retention of some committee functions from the inherited machinery, there was considerable change. The Johnson-era Interdepartmental Regional Groups and the Political-Military Interdepartmental Group (IRGs) became NSC/Interdepartmental Groups (IGs), charged primarily with the function of preparing policy studies and contingency papers at the direction of Kissinger acting for the President. The IGs continued to be chaired by State's Assistant Secretaries (now termed chairmen instead of executive chairmen), and their residual role of coordination and decision (where agreement was possible) remained. But the new emphasis on Presidentially directed policy reviews was designed to redirect much of their attention. For issues transcending State's geographic or functional bureaus, NSC Ad Hoc Groups were established under a chairman representing the appropriate agency. Most important, the IGs would henceforth report principally to a new Kissinger-chaired Review Group established to evaluate papers and determine if NSC or Presidential consideration of the subject was necessary rather than to the State-chaired Under Secretaries Committee (USC). The USC itself, an echo of the former Senior Interdepartmental Group (SIG), although chaired at a higher level than the Review Group, was effectively "layered" by it: the USC agenda consisted of items referred to it by the Review Group, the IGs, or the Secretary of State. Its mandate was defined in the President's first *Report to Congress* as reviewing and coordinating the "implementation" of decisions taken within the NSC framework. This created a structure whereby the President's Assistant, operating at the Assistant Secretary level, oversaw relations between lower and senior echelons in State and funneled important policy questions away from State's leadership.

The Review Group may have been the first clear signal of the distribution of power within the new system, but there were soon to be others. During 1969, four additional interagency committees were established under Kissinger's chairmanship, including agency representation at either the Assistant or Under Secretary level. Each dealt with an inherently important policy area: The Vietnam Special Studies Group, the Defense Program Review Committee, the Verification Panel, and the Wash-

ington Special Actions Group. The first three reflected the new NSC Staff's competence in quantitative analyses pertaining to Vietnam, defense force posture and budget issues, and SALT and other arms control issues, respectively. The WSAG's mission pertained to crisis planning and management. Like the Review Group, these bodies were interposed between subordinate and high echelons in the agencies. They concerned themselves either with studies or with operational matters. Their role vis-à-vis the IGs, NSC Ad Hoc Groups, and the USC was directive.

c. *NSSMs, NSDMs, and Options.* The Kissinger conviction that sound foreign policy is based on having a "conceptual framework" for action was most clearly reflected in the White House's assignment of a "comprehensive series of studies covering the principal national security issues now confronting the Nation or which are expected to be of importance in the months ahead."²³ The technique was to establish a series of National Security Study Memoranda (NSSMs), drafted by the NSC Staff and signed by Kissinger on behalf of the President, directing the addressed departments and agencies to prepare policy reviews on specified topics. Each NSSM set out in more or less specific terms the range of issues to be reviewed, the relevant time period to be covered, the action responsibilities of various agencies or groups in preparing the study, the deadline for submitting the study, and the name of the interagency body that would review it (e.g. Review Group, Verification Panel, etc.). The NSSM series was indeed comprehensive, including some 85 directives in 1969 alone, covering matters ranging from U.S. Vietnam policy to naval shipbuilding and the role of the Church in Latin America.

Official statements about the NSSM emphasized two significant methodological innovations. First, study groups were asked for policy options, not policy recommendations. This deceptively simple approach (borrowed from the McNamara Defense Department) was aimed at converting NSSM respondents (at the study group level) from advocates to analysts and at separating alternative policies from their agency sponsors at the sub-Cabinet level. Each agency respondent on the study group was asked to identify the pros and cons, costs and consequences of all options being considered, including some that no respondent favored. Only at the highest (i.e. NSC) level were formal agency positions on the options to be taken and argued out before the President by the principals. In theory, therefore, senior agency officials at the Assistant and Under Secretary levels were mandated to prepare and evaluate a range of options for the NSC system and the President to ensure it represented

all significant possibilities and opinions.

The goal of the options system was to enlarge the scope and potential for Presidential leadership in foreign policy, and thereby (in the Nixon/Kissinger view) to improve the foreign policy itself. The system would do this (1) by preventing agencies from working out agreed compromises for submission to the White House ("I refuse to be confronted with a bureaucratic consensus that leaves me no options but acceptance or rejection, and that gives me no way of knowing what alternatives exist."), (2) by preventing one agency with the strongest interest in an issue from taking it over by direct dealings with the White House ("The NSC system also insures that all agencies and departments receive a fair hearing before I make my decisions."), and (3) by providing a mechanism for the airing of options which no bureaucratic actor wants to pay the political price of proposing ("... every alternative must have a fair hearing.").²⁴

Second, the NSSMs introduced a heightened concern for long-range goals and a downgrading of immediate operational matters. Instead of the standard set of decision-maker's questions: What is the situation? Where do we go from here?, the NSSMs asked another: What is the situation? Where do we want to be X years from now? How do we get there? Alternative assessments could be offered on all three questions, but the critical, i.e., Presidential, question was the second. Once again, the goal was to enhance initiative and choice for the top policy maker by making "... our basic determinations of purpose before being pressed by events. . . ." ²⁵

If the NSSMs were the instrument for enlarging the scope for Presidential choice, the National Security Decision Memorandums (NSDMs) were designed to enhance the impact of Presidential decision. As the natural "outcome" of a NSSM review, the NSDM shared with the NSSM a concern for providing broad guidance as to national purposes and priorities and an overall rationale for specific, operational steps selected, a characteristic distinguishing them from the Kennedy/Johnson National Security Action Memorandums (NSAMs).²⁶ But the novelty was not only in enlarging the focus of decision (from "actions" to "purposes") but in attempting to use written decision documents to assure that "... all departments concerned are fully informed of our policy, and so that implementation can be monitored."²⁷ Used systematically, the NSDMs

²⁴President's Report to Congress: *US Foreign Policy for the 1970s*, 1970, p. 18, 22.

²⁵Ibid. p. 19. As the Report made clear, "events" were only one of the obstacles to creativity: "as modern bureaucracy has grown, the understanding of change and the formulation of new purposes have become more difficult."

²⁶Kolodziej, op. cit., p. 576.

²⁷President's Report to the Congress 1970, p. 22.

²³White House announcement of February 7, 1969, op. cit.

aimed to guide, educate, and control its recipients while infusing the government as a whole with a coherence deemed lacking in the prior system.

d. *The NSC Staff.* Substantive policy staffs are, as we have seen, an essential factor in generating leverage for the top men. By 1968, the NSC staff had evolved into a key support of Presidential leadership. The unambiguously White House-centered NSC system launched by the new Administration would inevitably imply an increase in staffing requirements, and this was duly confirmed in a low key, five line reference to "reorganization and strengthening" of the staff in a February 7, 1969 announcement. The White House statement went on to list the new staff's 28 substantive professionals and to indicate a four-way breakdown of staffing roles: an operations staff handling regional and functional areas, "program assistants" with undefined responsibilities, "planning staff", and a five man Office of the Assistant to the President for National Security Affairs.²⁸

But central staffs are a sensitive topic in the public arena. Perhaps because they imply centralization of power, "closed" systems, and a derogation from the constituted "line" officials, public statements tend to underplay their role or even their existence. This is especially pertinent when staffs become powerful and imply a redistribution of power among organizational units. While the White House did not refuse to provide information on the NSC staff, it offered little on its own initiative. The role of the new Staff was completely ignored in Kissinger's March 3, 1970 letter replying to Senator Jackson's request for information on the New Administration's approach to the NSC system; not a single reference to the Staff can be found in the President's first three *Reports to the Congress* on foreign policy. The emphasis was on the NSC "system".

Yet the Staff was without question a crucial feature in the Nixon/Kissinger conception. The Staff would have to operate the system; given the marked shift in the rules of the game, the agencies could be expected to resist implementation. It was expected to be a principal source of creative thinking to flesh out the new substantive policies, a point both men were free to state off the record, as when the President remarked to Staff members that he would "wait 20 years" if he wanted a new idea from State. Only the Staff could bring the Presidential perspective to the broader bureaucracy operating in the NSC system.

Apart from the traditional staff roles identified by Destler,²⁹ the new NSSM series of policy studies

would have substantial staffing implications. In substantive policy terms, staff would be required to help identify issues appropriate for NSSM review. After a NSSM was signed, staff would actively participate in preparing the response, providing guidance on the NSSM's intent and "riding herd" on its execution. Once the NSSM study was submitted to the White House, a new process of internal analysis would ensue, followed by drafting of recommendations to Kissinger (and from him to the President where appropriate) on how the study's content should be handled at forthcoming meetings. In bureaucratic political terms, staff were required to assure the primacy of the NSSM process over unilateral agency initiatives, often by folding such initiatives into a formal NSSM before they had escalated to senior levels.

Equally important, since the NSSM gave the NSC staff control over the deadlines attached to policy reviews, the staff would ideally have to "administer" the handling of NSSM issues throughout the bureaucracy in a way that meshed with Kissinger's and the President's desires as to timing—and even as to whether real decisions were to result from the study.³⁰ For Kissinger, himself, the staff would provide the base of support enabling him to seize issues out of formal channels, to intercept and independently evaluate agency communications to the President (including NSSM responses), gather bureaucratic intelligence necessary to retain the initiative, and generally to utilize the expertise that would make him the dominant Presidential advisor in foreign affairs.

Accordingly, the Staff was indeed reorganized and strengthened. From a base of 28, the number of substantive professionals grew steadily before levelling off at just over 50 in 1971. The "operators" increased from an initial 13 to some 22 members responsible for the following areas: Africa/U.N./International Organizations (3), Middle East/South Asia (3), East Asia, including Vietnam (5), Europe, NATO and Soviet affairs (4), Latin America (3), Science, Disarmament, Cultural affairs (2), and International Economic affairs (2).³¹ Among their formal³² responsibilities were the tasks of: handling the President's business in their

change, and operational coordination. The innovation, as Destler points out, was the management of a formal system of policy studies.

³⁰On the importance of control of deadlines and delays, see Halperin, op. cit., pp. 214-218. These staffing roles are, of course, not part of the formal model as officially described.

³¹Numerical data represent the average figure in the period 1971-72 when staff organization had settled into a more or less stable pattern.

³²The word "formal" does not suggest a standardized or published job description, but rather those tasks expected of operators by tradition and by the new requirements of the system, the things they were "supposed" to do.

²⁸White House announcement of February 7, 1969, op. cit.

²⁹Destler, op. cit., p. 230-233; the traditional roles, it will be recalled, include servicing of the boss' day-to-day business, providing information and analysis, stimulating policy review and

area (public and Congressional correspondence, preparation for speeches, reports, and press conferences, staffing of Presidential visits and communications with foreign heads of State); handling a similar range of issues for Kissinger; preparation of daily summaries of key events and communications for both men; staffing to Kissinger (and as appropriate from Kissinger to the President) of all agency submissions, recommendations, and communications within or outside the NSSM context; representation of Kissinger on interagency panels such as the IGs and Ad Hoc Groups and participation in the work of these groups; preparation of analysis and talking points for meetings of NSC organs such as the Review Group, WSAG, or VSSG; and, of course, using their expertise and agency contacts to provide Kissinger with analysis of both bureaucratic and foreign developments, issues, opportunities, and threats. The "operators" formed the core of the staff. A bare majority of them were Foreign Service Officers seconded for one or more tours from the State Department; in addition, the "operators" included 4-5 seconded CIA analysts, and some 6 others recruited from non-foreign affairs agencies, from academia, or through political contacts.

The staff's second largest element was the Program Analysis staff of about 10 civilian and military professionals, nearly all recruited from the Department of Defense. Though not technically "operators", the program analysts played the same roles as "operators" in manning interagency panels and staffing policy studies or agency inputs in the areas of defense, arms control, and military budget. They shared the "action" with operators in such areas as Vietnam policy, SALT, NATO military posture, and other regional defense issues. In addition, they were given the mandate in an early NSDM of conducting systematic country and regional analyses of the interrelationship of US policies and programs involving manpower and budget resources. Such reviews represented an attempt to locate in the White House a staff competent in the methodologies of systems analysis and program budgeting and capable of performing the functions attempted in various State Department reforms (CCPS, FAPS) of the 1960's: integrated analysis of policy, programs, and other data in a given area.³³ But the principal activity of program analysts was defense programs, policies, postures, and the relation of defense strategy to on-going negotiation issues such as SALT and Vietnam. They supported the corresponding NSC committees, Verification

Panel, DPRC, VSSG, and supported Kissinger's entry into defense policy.

Though most planning staffs were a "sop to administrative theory" in Kissinger's earlier days, several NSC Staff elements bearing the name "planning" were set up in the first two years of the Administration. At least four different conceptions of planning were envisaged at various times: (1) planning and coordinating the NSC system's work on a daily basis, from the initial proposal of NSSMs to Kissinger to the scheduling of meetings to consider NSSM results and operational items outside the NSSM context, (2) longer range planning, including the in-house preparation of substantive analyses of particular problems, (3) contingency planning of various alternative US actions in a crisis scenario, and (4) "planning" to support the more personal actions and strategies of Kissinger and the President. The importance attached to these functions varied over time and with the leverage developed by the planners themselves. The first, for example, is essential in any complex system and will be performed by someone, regardless of his title. The fourth is similarly "essential" assuming determination to centralize policy making at the top.

By 1971, it could be said that 8-9 staffers were engaged in "planning" in one sense or another. A four-man Planning and Coordinating Group, including a senior staff member, concerned itself with all four types of planning but concentrated primarily on the first. It backstopped the crisis-oriented WSAG and monitored the preparation by the IGs of contingency papers. The Group's access, on an "information" basis, to nearly all the system's paper flow enabled it to initiate suggestions upward to Kissinger and his deputy and to "trouble-shoot" laterally with other members of the staff. It also could serve intermittently as an operational staff on issues such as security assistance and multi-regional problems which fell between or across the operators' areas of responsibility and occasionally took on projects in cooperation with operators or with members of Kissinger's personal staff. A second, more institutional planning element was the office of the Staff Secretary (two substantive people) which had responsibility for administering the secretariat and supporting services, scheduling of meetings and processing of meeting papers, formal NSC liaison with the agencies, and formal overall administration. Third, most professional members of the office of the Assistant to the President became involved in the fourth type of planning referred to above and occasionally the second. This included three members of what was at one time called the "special projects staff", working in the high priority policy areas in which Kissinger became personally engaged: Vietnam negotiations,

³³See Frederick C. Mosher's memorandum "Program Budgeting in Foreign Affairs: Some Reflections", published as a Committee Print by the (Jackson) Subcommittee on National Security and International Operations, Senate Committee on Government Operations, November 1968.

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China initiative, SALT, and Russian negotiations. This "quick response" group served as personal assistants of Kissinger and his deputy (General Alexander Haig) and accompanied them away from Washington. General Haig himself was, of course, a "planner" in the first and fourth senses above and had the task of pulling together all elements of the staff.

Finally, the NSC Staff comprised several smaller elements: a Vietnam Information Group of two-three staffers working on various aspects of Vietnam policy, a press coordinator, a Congressional affairs staffer, and liaison personnel from the CIA and Joint Chiefs of Staff.

V. HOW THE SYSTEM WORKED AND WHY

a. *The Measurement Problem.* Institutional reform launched at the Presidential level poses special problems of evaluation. The new system was the personal program of very few men; it reflected both their personal and their institutional goals. In measuring "success" and "failure", it is not enough to note that some "good" policies resulted, unless they were demonstrably a "product" shaped by the system, nor is it enough to note that the system caused demoralization or resentment in the bureaucracy, unless it can be shown that this was unintended and warped the policy "product". The relevant standard is the degree to which the reform achieved the purposes of the "reformers" including, *inter alia*, "good" decisions, coherent and purposeful policy making and execution, personal control of the policy process in the White House and bureaucratic responsiveness to the White House, identification of problems before they become crises, holding options open for top level decision, and relating actions and programs to purposes.

One possible measurement of "failure" would be changes made in the model itself and changes or clarifications of the personal and institutional goals of the reformers. But whether or not such change occurred explicitly, the criteria must be whether the system proved workable and was used, or whether it warped the policy process in ways that produced "bad" policy, incoherent policy, or no policy at all where policies were needed. From the standpoint of goals, the criteria must be whether they proved in practice to be desirable and attainable. The selective application of these criteria will be apparent, as will the inherent subjectivity of making the effort. It must be clearly recognized at the outset that the two types of goals—personal and institutional—could be (and often were) incompatible. Consequently, a single "result" of the new apparatus

could be both a success and a failure where such incompatibility existed.

b. *On Measuring Nixon and Kissinger.* The President and his Assistant were not only reformers of the government-wide policy process but also of the institutional roles they occupied. They formed the core of the new system, and their relationship was pivotal to the way it actually worked. From the former President's standpoint, there can be little doubt that he got the system and had the policy impact he wanted. Just as clear, however, is the conclusion that he paid a certain price for the success of his personal style and goals and that there were internal inconsistencies in the latter or among actual and stated objectives. Success can be seen in the personal imprint he placed on US foreign policy during 1969–72 and the reputation for sophisticated statesmanship which those policies earned him, successes which made him one of the few Presidents to win an election centered substantially on foreign policy issues. Generally able, with Kissinger, to dominate the policy areas he chose to dominate, he was, therefore, able to orchestrate a complex diplomatic strategy linking policies toward Vietnam, China, the Soviet Union (and arms control), East-West relations in Europe, and to a lesser degree, the big power involvement in the Middle East. One may perhaps add that this was accomplished at a time of declining US predominance in world affairs and of reduced domestic consensus for US involvement. There is at a minimum little ambiguity in the self-evaluation provided by Nixon himself in his 1972 foreign policy *Report to Congress*, a report replete with "dramatic departures", "historic accomplishments", and Hegelian (or Kissingerian) perspectives:

"The world—and we ourselves—are still in the process of adjusting to the developments we have set in train. But we know where we are going. We are moving with history, and moving history ourselves."³⁴

Success can also be seen in terms of some Nixonian institutional objectives. First, key decisions were more often than not retained for essentially private decision making in the White House and were seen to be Presidential. The Nixon preference for withdrawal from the senior constituted officials before decisions were taken was made more "legitimate" and acceptable by the existence of an elaborate, formal NSC system emphasizing systematic procedures utilized before the act of decision. Similarly, the President's inevitably heavy dependence on the data, analysis and recommendations provided by those with continuous access to him—to a substantial degree, Kissinger and, through him, the

³⁴President's *Report to the Congress: US Foreign Policy for the 1970s*, Vol. III, February 1972, p. 215.

NSC staff—was legitimized by the formal NSC system roles developed for both Kissinger and staff. In this way certain decisions appeared less arbitrary and based on broader participation in the foreign affairs community than they actually were.

Secondly, the formal NSC system itself had advantages for the President. By establishing inter-agency rules, studies and committees, the President and his Advisor could (and frequently did) structure the consideration of issues so as to control its timing and context. The strongly held views of the "lead" agency on a given issue could be either isolated or diluted by the concurrent evaluation of alternative courses of action. This use of the system at times obviated the need for the two men to confront other principals directly or to be seen to overrule them. At the same time, by overarching the echelons inside an agency, the NSC system had the effect on some issues of reducing the tendency of agency heads to automatically endorse the positions of their subordinates, in other words to defuse the adversary procedure common at working levels when it did not reflect strong convictions at the top. Examples of the successful application of this technique can be found in the outcome of early reviews on chemical and biological weapons, on whether or not to return Okinawa to Japanese administration, on a range of issues relating to the degree of US activism on southern African issues, and on the recurring question of reviewing operations by the US-supported irregular forces in North Laos' Plaine des Jarres. In each instance, there was bureaucratic momentum in the lead agency for continuing current policy, but support for it was weakened in the interagency review process, and high-level advocacy of working level positions was muted.

Thirdly, the President retained the choice of working issues through the formal system, using essentially private channels and White House resources or using both concurrently. In policy areas where he wanted a change of course, the options system served to place alternatives on the agenda that the agencies themselves would not propose and whose consideration they resisted (for substantive or bureaucratic reasons). Examples of this pattern can be seen in an early review of the US posture toward the Nigeria-Biafra war, the consideration of US options during the September 1970 Jordan crisis, a review of US objectives in cultural and educational exchanges, and a prolonged consideration of US response (naval and other) to increased Soviet naval presence in the Indian Ocean. The last case illuminates the ability of the NSSM system to get an issue of interest to the President on the agenda in the face of bureaucratic obstacles: DOD resisting initially because it already had a policy and opposed State and CIA participation in

review of naval deployments; State, ACDA and CIA suspicious that the review would only provide the Navy a vehicle to obtain high-level endorsement of its preferences. Getting options on the agenda does not ensure that substantive change will occur. But at the least the system provided an organized means for "testing the water", and it conveyed a sense of "due process" that had been absent in prior systems.

Fourthly, the Nixon model provided that the President's principal foreign affairs advisor (though not his "senior" advisor, as Secretary Rogers was termed by the White House after it became clear that Kissinger was playing the major role) would remain under Presidential control. Such dependence on Presidential favor is inherent in the job. Not responsible to an agency bureaucracy, to Congress or to the news media, the Advisor was the President's man. Though he wore three hats as manager of the NSC Staff, of an interagency system, and as personal advisor, it soon became clear in their working styles that both men placed priority on the personal relationship and worked to limit the Presidential access of any others. The Staff and the NSC system did not get in the way of this relationship, for the simple reason that when they threatened to, they were ignored, put off, or circumvented. The degree of dependence on the President, and Presidential reliance on Kissinger, is most tangibly demonstrated by the continuous chaos in the latter's personal schedule, reflecting both their extensive daily contact and the range of time-consuming Presidential assignments. Long-scheduled interagency meetings were postponed on short notice, appointments with key officials and legislators were put off, phone calls went unanswered, NSSM studies went without review in the interest of this relationship. But the Advisor's responsiveness to the President is just as clearly shown in the loyalty and discretion the former displayed in his own conduct, thereby consolidating the President's prestige as well as his ability to operate flexibly.

There is little doubt why Kissinger played according to the President's rules. For if this was the President's system, run the way he wanted it run, it also suited Kissinger in a number of respects. As a believer in the essential contribution of personal leadership in foreign affairs, he would support the President's flexibility through the retention of a private two-way channel for discussion and decision in which he was the President's partner. As the day-to-day architect of policy in many areas and the system's constituted manager, he profited even more than the President from the bureaucratic advantages of the formal system. By the end of 1970, Kissinger was no longer simply the White House advisor who ran the NSC system for the President;

he was the key foreign policy advisor, the architect of a diplomatic strategy for US relations with the great communist powers, and increasingly, the secret strategist/operator/negotiator in the areas of SALT and Soviet relations, the China initiative, and the conduct of war and negotiations in Southeast Asia.³⁵ Global crisis management was another string in his bow. He was, in short, a man of unequalled power in foreign policy formulation, and his public reputation was beginning to catch up, belatedly, to the fact. From Kissinger's standpoint, the formal and informal systems offered him not negligible advantages.

But this is not to say that the formal NSC system worked the way Nixon and Kissinger *designed* it or that the combination of informal and formal systems (i.e. personal and institutional, respectively) served to maximize Presidentially-imposed policy coherence. To the contrary, the internal contradictions in their goals produced a substantial gap between theory and practice. By giving Kissinger several major roles and a near monopoly of personal access to him, the President undercut the goal of ensuring a full and fair hearing for all relevant options and views, while he sharply limited his own ability to work through clearly established procedures and systematic "preparation" for decisions. Decisions, themselves, one may suggest, were not as "lonely" as the stated Presidential style would imply, as far as the Nixon-Kissinger relationship is concerned. Equally important, the NSC system, the NSSMs, committees, and the staff, could not function according to the model without being able to command a substantial portion of the time, respect, and trust of both Kissinger and the President. These invaluable commodities the system got only sporadically, depending on the passage of time and the emergence of issues.

Participants in the NSC system's early evolution vary widely in their assessment of the gap between theory and practice. Some argue that the system lasted about six months, during which time it had completed much of what it was designed to do, establish "where we are and where we want to go" and structure the inevitable "shaking out" process among principal actors and agencies. In this view, the formal system *had* to change as Kissinger "became operational", his primacy emerged, and his style clarified. The transition to a new pattern was complete by the time of Cambodia. A second view holds that by a natural process of maturation, any Administration will complete much of its long-range thinking in a year or so and devote itself

thereafter to implementation, handling operational problems and dealing with the external world of events. This tendency was accentuated with the Nixon-Kissinger NSC system since it was centered around the NSSM (study) function. A third view holds that the NSC system retained a degree of vigor and embodied some reforms worth retaining, remarkable accomplishments given a high degree of bureaucratic resistance and the strong anti-bureaucratic sentiments prevailing in the White House. In this view, most changes made in the system since 1969 related to the handling of "front burner" issues, which tend to be taken out of formal channels in any system.

There is little debate that the NSC reforms had serious purposes and serious results. They were neither pure cosmetics, designed to cover a two-man power play, nor the final solution to the government's organizational problems. In terms of "policy results," the reforms were well suited to the top leaders and enabled them to "conduct a lot of foreign policy". But the reforms themselves and the way they were implemented or not implemented produced a variety of distortions in the policy process and resulted in a lack of Presidential impact on policy in several areas. There developed a tendency of the system to produce results *despite itself* and a more routinized handling of studies and problems, in different ways according to whether or not the top men could be engaged on a subject. Leaving aside the question of whether it is desirable or possible for a White House-centered system to comprehend *all* policy areas, the fact is that the Nixon-Kissinger model aimed at doing so. And, by its own admission,³⁶ it did not succeed in conveying substance to US policies on Latin America, Africa, and UN issues, except, and this was important, to set clear what the US would *not* do, or coherence to US foreign economic policy which ended up to a major degree in other bureaucratic channels. Even while confining ourselves to the Kissinger self-evaluation, it can be pointed out that foreign economic policy entails aid, trade relations, monetary affairs, investment, technology transfer, energy, etc., issues that by their nature structure US relations with many countries, not least our European and Japanese allies.³⁷ Moreover, in the Middle East/South Asian area, the NSC system as such produced few departures apart from linking the region's problems to a broader strategy and responding to external events.

³⁵On Kissinger's role as "desk officer", for SALT, see John Newhouse, *Cold Dawn: The Story of SALT* (New York: Holt, Rinehart and Winston, 1973); on the Vietnam negotiations, see Tad Szulc, "How Kissinger Did It: Behind the Vietnam Cease-fire Agreement", *Foreign Policy*, No. 15 (Summer 1974).

³⁶Kissinger's testimony in *Hearings Before the Committee on Foreign Relations, United States Senate on the Nomination of Henry A. Kissinger to be Secretary of State*, September 1973, Part I, pp. 57, 62, 69, 115.

³⁷See Destler's evaluation of centralized, two-man policy-making in these policy areas, in "The Nixon System: A Further Look", *Foreign Service Journal*, Feb. 1974.

c. *On Measuring the Committees.* The impact of the network of committees created at the Cabinet level (NSC itself), Under Secretary level (DPRC, VSSG, Verification Panel, USC) and Assistant Secretary level (Review Group, WSAG, and the IGs and Ad Hoc Groups) hinged on the role Kissinger and other key actors would play. The original network, centered to an unprecedented degree of production and review of policy studies, appeared to beg the question of coordination and decision. Confusion as to Kissinger's proper echelon was built in: serving as both chairman and member at the two lower levels, he was a most active designated advisor at the highest as well. Kissinger-chaired committees were interposed between various agency echelons, according to the subject matter. It suggested in a way that his authority to chair a committee was greater on the subject-specific committees than on the nearly global Review Group and WSAG. This network could not last for long.

An early signal of the direction of change came with Kissinger's refusal to attend the meetings of the Under Secretary's Committee (chaired by State). This narrowed somewhat the mandate of that already side-tracked body. In its place, Kissinger developed close working relations with its chairman, Elliot L. Richardson, in private weekly lunches which proved productive in a broad range of operational issues. Another signal of future directions came in Kissinger's reluctance to capitalize on this relationship by sharing the agenda and results of these meetings with the NSC staff members most directly involved. Confused channels in the staff were matched by Richardson's incomplete coordinating mandate inside State (where he had direct support from only one of the two staffs charged with that mandate).

No senior level body or staff emerged with a government-wide *coordination* function during the early period; Richardson's departure to HEW in June 1970, followed by a long hiatus before he was replaced, weakened State-NSC communication at this level, since Kissinger and Under Secretary Richard Irwin never developed a comparable relationship in their less frequent sessions. General coordination henceforth would rest on signals exchanged between the NSC's Secretariat and Planning and Coordination Group and State's Secretariat, which reported directly to Secretary Rogers. Given the relations obtaining between Kissinger and Rogers and the former's operating style within the staff, it was not a formula for success. Coordination did not cease to occur, but it took place principally in regional or functional compartments at the IG/NSC Staff "operator" level or at Kissinger's initiative in meetings of the Review Group called on specific issues. Despite several efforts over the 1970-1972 period, NSC Staff planners and coordinators had an

uncertain and irregular mandate to conduct general coordination with the bureaucracy and no standing body toward which to direct their efforts. It is perhaps ironic that the only organization equipped to distribute a comprehensive periodic listing of action responsibilities and deadlines under NSSMs, NSDMs, and USC memoranda was the Joint Chiefs of Staff, operating on its own initiative.

Just as troublesome was ambiguity about who, if anyone, below the President and the NSC was established to make *decisions* on issues arising out of NSSMs or outside them. The formal directives and published documents do not say much about decisions except at the Presidential level. The committee apparatus was so directly tied to NSSM studies in the original model that there was something of a scramble for the real action. The key agencies did not passively accept what they saw as an effort to convert them from *advocates* to neutral *analysts* in an options system. One published account describes the Kissinger/NSC relationship with Secretary Laird's Pentagon as a battle ending in "a draw".³⁸ But this oversimplifies, implying as it does a comparability between the policy scope of the two organizations which was hypothetical only, given Laird's definition of his own job. The clash occurred continuously over the relationship between negotiations, Vietnamization, and US force withdrawals in Vietnam (with a spinoff effect in Cambodia and Laos), and periodically over weapons (including SALT) and budget issues in which Kissinger's "program analysts" became involved. Clashes were far less frequent elsewhere, perhaps largely because of Laird's decision, not resisted by Kissinger, to reduce the influence of the International Security Affairs staff in his office and the limited regional mandate given by Kissinger to his own program analysts.

Conflict with State over the locus of decision had global potential, reduced only by the less than global interests of Nixon and Kissinger. One participant described the situation by the end of 1969 as a war of attrition in which State sought to preempt closed door policy making in the White House while the NSC staff refused to pass State communications to the President in their original form. Among the techniques cited are failure to submit important cables to the White House for clearance, failure to submit items in time for staff comment, refusal to write options in an "objective" way in response to NSSMs, and even instructions to State officials not to deal with individuals on the NSC staff. Though such friction cannot by itself be listed as a "failure", the formal system's ambiguity over the question of *decisions* and its heavy emphasis on policy *studies* assured that committees were arenas of combat—often at the expense of analysis.

³⁸Kalb and Kalb, op. cit., p. 89.

By mid-1970, the lines of decision had become somewhat clearer. For one thing, the NSSMs and NSDMs (as well as the budget) *did* succeed in setting the broad outlines and limits of policy in several areas. For another, important changes in the composition and management of the staff began to take their effect around this time, concurrently with the one major alteration of the NSC committee structure during the 1969–1972 period: the elevation of the Kissinger-chaired Review Group and WSAG to the Under Secretary level in September 1970. Finally, the degree of Presidential confidence Kissinger enjoyed and the extent of his personal engagement in the key issues had become clear beyond doubt.

The net effect of these developments by 1971 was two-fold. The Kissinger-chaired committees would serve as the locus of decision as well as review on the fate of NSSM studies and operational issues he chose to address. Second, State and the economic agencies would normally take the lead in day-to-day decisions on matters in which NSC staff operators had little success getting Kissinger personally engaged. This category generally included: trade and aid (though not security assistance in major recipient countries); cultural, scientific, and information programs; UN and other international organization problems (except where they intersected the “front burner”); Africa policy; Latin American policy (except for Soviet activity in the area and US relations with Peru and Chile); and South Asia and Persian Gulf affairs. There were, of course, grey areas such as major Middle East issues which fluctuated between State and White House leadership. But on the others identified, the coordination and routine decision roles of the IGs gained a degree of recognition in the bureaucracy under the watchful eye but generally light hand of the NSC staff operators.

Confusion as to function and hierarchy among the original NSC committees had become unmistakable in the first year. Tentative steps toward clarification were taken in January 1970 when a “senior” Review Group for Southeast Asia was established, followed by a “senior” WSAG at the time of Cambodia. But the essential problems remained. The RG was set up as a screening committee to conduct technical, bureaucratic vetting of “options” preparatory to NSC review. Kissinger had, perhaps unwittingly, given himself the task of performing as a senior staff member on Eisenhower’s Planning Board. The RG was unable even to clarify agency positions, much less reach substantive conclusions.

Agency representatives on the RG generally insisted that its deliberations were *ad referendum* back to their own principals. Except on those occasions when State was represented by Under Secretary for

Political Affairs U. Alexis Johnson, the Department spokesmen were without instructions; led by Counsellor Richard Pedersen and one or more Assistant or Deputy Assistant Secretaries, State spoke with several, often conflicting voices. DOD’s representation (normally the J-5 staff and the ISA head) and CIA’s (a regional or functional deputy director below the number two man) were hardly more prone to decision. Running this clearing house did not fit the real Kissinger script, and he began to resist scheduling RG meetings. Nor did it fit the Nixon style, since it required numerous NSC meetings simply to handle the options papers churned out by the formal system. In practice, the President’s enthusiasm for this process proved restrained, as the second and third generation of NSSMs focused less and less on the big issues; this tendency was reportedly compounded by Presidential irritation that the NSC principals had been somewhat less than a unanimous team behind his decisions during the Cambodia crisis. A final impetus for change was lingering uncertainty about the USC’s role. Theoretically supposed to submit disputed “implementation” issues to the RG, which was below it in rank, the USC was in fact underemployed, and there was NSC concern that the USC might seek to fill the void by developing more of a policy role between the IGs and the NSC.

NSDM 85 of September 1970 removed most of these anomalies by creating the Senior Review Group at the Under Secretary level under Kissinger. The prior action to keep the WSAG at the “senior” echelon (though still calling it WSAG had the same effect for crisis-related issues). Both moves were described officially³⁹ as designed to bring together representatives transcending “. . . specific geographic or functional areas . . .” and to “. . . draw more fully upon the complete resources of their respective agencies . . .”. But the move’s real significance lay in the provisions of the NSDM and its bureaucratic political effects. Henceforth, the SRG’s membership would be the same regardless of the subject matter of a meeting; it would review studies and actions papers sent it by the agencies; and it would decide whether the subject would be resolved at the SRG itself, sent to the NSC for further examination, sent back to the bureaucracy for further work, or taken by Kissinger to the President. His option to do the last (as he frequently did on disputed subjects), enhanced the decision output of the Group when consensus was within reach. The knowledge that the decision would go to the President anyway reduced appeals for NSC meetings.

The SRG became the new workhorse of the system. The decline in meetings was reversed, and by

³⁹President’s *Report to Congress* on foreign policy, 1971, p. 229.

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1972 the RG/SRG had met some 130 times, far more than any other body in the formal system. Paralleling this trend, NSC meetings declined from 37 in 1969, to 21 in 1970 and 15 in 1971. From being the place for arguing out options, the NSC became a court of appeal in an increasingly Kissinger-managed interagency mechanism and a means for gathering legitimacy and consensus behind especially tough decisions. After 1970, use of the NSC for NSSM review was rare. The elevation of the SRG thus had the net effect of delegating functions down the hierarchy: the SRG assumed certain NSC tasks, while the more technical aspects of processing and evaluating NSSMs were handled at the IG level and within the NSC staff. The move confirmed Kissinger's de facto status by permitting him to convene the number two men in State and Defense and the heads of CIA and the JCS. By 1972 there was a network of six senior Kissinger-chaired bodies,⁴⁰ if one includes the pre-Nixon "40 Committee" charged with reviewing the conduct of clandestine operations, with nearly identical membership overseeing the formal system under a name that changed with the subject. The seventh senior body, the USC, serviced the SRG when it was asked to do so.

These committees, as suggested above, did not coordinate or decide *all* interdepartmental business resulting from studies and issues; they addressed those matters Kissinger wanted or could be persuaded to address. Though many different issues got on the agenda, the criteria for getting Kissinger's attention were narrow enough to exclude a significant number of NSSMs and regional problems. Despite improvement in the committee network, the system never developed explicit channels for resolution of matters excluded from that agenda, except the technique of resolution by NSDM without holding a prior SRG meeting. This procedure was used effectively in the case of NSSMs which had no hope of SRG consideration; NSC Staff requested formal agency opinions on the options—something explicitly ruled out in the initial model—and developed NSDM language reflecting the more important substantive and bureaucratic factors as well as internal staff views. This technique, however, could be used only (a) in studies that posed clear-cut choices and (b) in the absence of agency desires to air the issues at a meeting. Otherwise, the effective action shifted to the relevant IGs and operating agencies. These procedures permitted the government to function but did not accord

⁴⁰E.G. SRG, WSAG, DPRC, Verification Panel, 40 Committee, and the NSC Intelligence Committee established in 1971 to improve communication between producers and consumers of intelligence and set Presidential priorities. The VSSG was downgraded to the Assistant Secretary level, matching the State-chaired Vietnam Ad Hoc Group.

with the original emphasis on options divorced from agency views or with the aim of pushing choices up to the top.

Next to the SRG and the NSC, the panel that Kissinger found most useful substantively and politically was the WSAG which totalled some 94 meetings in the first three years. The remaining bodies commanded far less of Kissinger's attention because of their limited mandate (Intelligence Committee and 40 Committee), because of his limited "entry" into defense policy (DPRC), or because the "action" on committee topics was in fact being handled in numerous other channels as well (Verification Panel and VSSG). But the WSAG stands out as one of the more significant and workable innovations of the system, in the view of participants in various agencies.

Formed in the aftermath of the EC-121 shoot-down in April 1969, the WSAG was rapidly established as the government's crisis mechanism, meeting to consider whatever urgent problem could gain recognition as such and to discuss time-sensitive military questions in Laos, Cambodia, and South Vietnam. The existence of such a comprehensive mandate was in itself a factor leading to success. End-runs to the President and other forms of bureaucratic resistance to crisis coordination were sharply reduced by the stature of its chairman and members, its interagency character, and its location in the White House rather than in an operating agency. This contrasted with prior crisis mechanisms, normally entailing State-coordinated task forces operating at a lower level bureaucratically. Consideration of issues and options at the senior level was normally followed by directives calling for detailed analysis of "crisis options" by lower level working groups in appropriate agencies. The results together with information updates were directed back to the White House (that is, to the NSC Staff) for the next WSAG session. Meetings were as frequent as two per day. WSAG worked on the principle of integration of political, military, public posture, and economic/budgetary factors in an effort to offer senior participants all aspects of the options being considered. A similar principle was built into the preparation by the IGs of contingency planning documents designed to be available in the event specified contingencies should occur. When such documents bore a close relationship to actual events, they served as a framework within which WSAG could implant some coherence into actions.

d. *On Measuring Policy Studies.* Like the NSC committee network, the NSSM system realized some of its bureaucratic political goals better than others. The existence of an established procedure for examining policy problems made it far more difficult for a single agency to take over the initiative and get the President's attention without consulting others.

DOD participants argue that the NSSM formula succeeded in diluting State's tendency to ignore options it opposed and in heading off State's tendency to seek confirmation of its preferences unilaterally at the top. State, on the other hand, sensed a White House effort to reduce further its steadily declining interagency leadership in essentially foreign policy matters; it initially resisted the new system and the NSC staff effort to make it work, except on issues where it gained a new opportunity to comment on existing DOD preferences, as on defense and security assistance policies. Treasury and Commerce, like Defense, found that the NSSM options system offered a new legitimacy for their emphasis on tangible (economic) interests in policy reviews, a legitimacy which undercut State's assumption that "foreign policy" interests naturally take precedence.

The options papers therefore, when successful, produced a more "objective" (in interagency, not necessarily in substantive terms) range of alternatives for review. They also brought more agencies into the act on issues that might previously have been left to the lead agency. Since the White House controlled the NSSMs, it determined the agenda, composition, and leadership of study groups; it also used its initiative to place operational matters and possible agency moves within the studies. Since staff members wore two hats as producers and consumers of the studies, they were in a position both to convey the Presidentially "appropriate" range of options to the agencies and to arbitrate between them in the internal NSC staff work prepared for Kissinger and the President.

Not surprisingly, the policy "results" of NSSMs were not always evident. For the NSSMs served not only to stimulate analysis but also to "satisfy" agency requests for a policy review, to "respond" to friends and allies outside the government who urged consideration of a topic, to fend off end-runs, to convey a sense of activity and participation in that activity by the agencies, or to provide a holding pattern for current policy in the hope that the initial impetus for the study would either disappear or be overtaken by events. The potential impact of such seemingly extraneous influences is magnified by the number of steps involved in moving from the decision to suggest a NSSM with the staff, to the decision on who should prepare it, by what date, who should have staff action on it, whether to urge Kissinger to take the completed study seriously as the basis for decision, whether to overlook its inadequacies or to send it back for revision, and whether to reschedule it for SRG consideration in the face of competing priorities.

When it is realized that a similar array of agency goals and choices also shape the NSSM exercise, it becomes clear why only some NSSMs had visible

policy results, to say nothing of charting new ground. Agency participants, like the White House, could view a NSSM as simply providing a basis for a reaffirmation of current policy or a vehicle for getting attention focused on their principal concerns. The interaction process required to produce a NSSM study could in itself have value to certain participants, not least that of "educating" other participants, especially those above the "literate" level on a given issue. Clearly, for the NSSM system to work there had to be a relatively high level of interest in the White House to force issues into the open and shake up established styles and channels. Success also hinged on a minimum degree of cooperation from the agencies, a clear staff mandate from Kissinger to produce a good study, and—perhaps most elusive—sufficient talent and luck to get the subject on Kissinger's desk while it was timely.

Despite these distorting influences, the NSSM was perceived as at least one of several viable routes to a decision, as demonstrated by the extent of its use: some 164 were issued in the years 1969–1972. But the very existence of the NSSM and the active discouragement of other channels had counterproductive side effects. The sheer number of studies overloaded the available machinery even when the will to make it work was there. In a sense, the NSC apparatus never recovered from the deluge of 85 studies in 1969. By early 1970 there were some 28 completed studies in the "action pending" category, enough for six months of weekly SRG meetings without counting the new studies that would arrive for review in the interim. The pace dropped to 26 new NSSMs in 1970, 30 in 1971, and 23 in 1972, but the system never caught up. In June 1972, 30 completed studies remained in the "pending" category, including several that had been pending since their receipt a year or two earlier.

The reasons for the overload have been suggested already. First, Kissinger was neither prepared nor able (given his many other roles) to personally conduct meetings on this volume of paper, nor was he willing to formally delegate the interagency decision function to a lower level forum where studies of lesser priority could be handled. The NSDM device could be used for wrapping up some studies, but others gathered dust, and the function of stimulating fresh thinking and digesting it lapsed. Second, the continuous cancellation of meetings and the hours of wasted staff work in the NSC and the agencies only served to deepen the early suspicion in State and elsewhere that the NSSM program was designed either to thwart the bureaucracy or to tie it up in paperwork while Kissinger made "clandestine decisions". The quality of agency input to the studies had been (for a variety of reasons) uneven from the outset; many early studies were sent back for revision one or more

times. As the bottleneck developed, there was little incentive to improve them unless they would clearly get attention. This only aggravated Kissinger's perception that *he* was being thwarted and reduced his inclination to delve into lengthy study documents which typically lacked the essential "handle" a busy decision-maker requires: a crisp, broad-ranging overview of the issues and options. Staff members assumed the function of preparing "analytical summaries" of the studies, including their own substantive recommendations, a development that furthered agency distrust. NSSMs, in other words, often served to highlight the Staff's dual role as servants of Kissinger and managers of an inter-agency think-tank.

Third, the subject of studies shifted over time away from broad policy reviews looking to US goals several years ahead to narrow operational questions (US posture toward tuna boat seizures by Chile, Ecuador and Peru), responses to events (US policy in the wake of Don Mintoff's election victory in Malta), and esoteric policy areas: one NSSM bore the title: US Policy Governing Release of US Components or Technology for Incorporation in Foreign Exports of Military Equipment to Third Countries.⁴¹ The shift of focus was inevitable as the Administration identified its main objectives; but a single point of review, coordination, and decision (the Kissinger-chaired core) could not begin to handle the variety of issues placed in the NSSM channel. As a result, the placing of an issue in that channel did not guarantee the most timely and effective review and could hamper the decision process. As with operational coordination and decision, the locus of actual review frequently shifted back to the agencies, outside the NSC system except insofar as NSC staffers kept themselves informed through working contacts.

e. *On Measuring the NSC Staff.* We have already seen (IV,d above) that the original conception of the new system included traditional and novel roles for the NSC Staff. The latter reduce essentially to (a) imposing an unprecedentedly White House-centered apparatus on the wider bureaucracy through committees, studies, and analytic techniques and (b) supporting the power and competence of an unprecedentedly prominent key official serving in the Assistant role. We have also seen (V, b,c, and d) that the first 18 months' experience with the original model produced major changes in it

⁴¹Some sense of the subjects emphasized in these 164 NSSMs can be gained by the following figures for studies that directly related to the subjects indicated: European area, 39; East Asian area, 37; Defense Problems, 29; Middle East and South Asia, 22; SALT and arms control, 18; Economic Issues, 15; Latin American area, 12; Security Assistance issues, 11; African area, 8. The figures do not total 164 because of double counting of overlapping studies.

and a widening gap between theory—or at least stated theory—and practice. The 50-member staff of 1971–72 had gone through a parallel evolution.

The "attrition" phenomenon described by I. M. Destler⁴² is one element of the story: 18 of the original 28 staffers left in the first two years. Among the factors that played a role in the high turnover were frustration with Kissinger's style of closely-held operations, the refusal to share important information, exclusion from decisions or even consultation of staffers who had thought they were involved, systematic exclusion of staff members from Presidential access, and a general unwillingness to delegate authority and to extend trust and support to subordinates. Policy differences, primarily on Southeast Asia, also played a role in a few cases. Some of the turnover reflected re-assignment or promotion of seconded agency personnel, the term commitments of personnel recruited outside the government, and in one case health problems. However, the attrition problem had a broader context of personalities, issues, and bureaucratic politics. Kissinger's almost immediate immersion in the operational and negotiation aspects of Vietnam required staff involvement while it assured staff contention for the action. The fact that such an important issue was being handled in so many channels simultaneously, with little effort to coordinate between them, led to insecurity and bruised egos. But Vietnam policy merely reflected a more general lack of structure in the relations of Kissinger's key subordinates. Previous Assistants had drawn upon deputy assistants or the staff's Executive Secretary or both to help organize and coordinate staff activities, but the new setup included neither. Two men held the post of Staff Secretary during the first year, but the position did not have a role clearly distinguished from other staff officers serving under a variety of planning titles: a long-range planner specifically recruited to push broader, nonoperational perspectives; another planner with the mandate of organizing workings of the NSC system in coordination with the "operators"; a group working directly under Kissinger to backstop the secret Vietnam talks and later on other "special projects". In addition, there were two to three people sitting directly outside Kissinger's office monitoring his "in-box" and telephone, charged with a variety of planning, scheduling, and information handling functions.

Whether this setup produced "creative tension" or "poisonous distrust" can be debated, but it is clear that the impetus came from Kissinger's sensitivity to any suggestion that subordinates might assert autonomous influence or visibility, as well as from a broader White House paranoia symbolized

⁴²Destler, *op. cit.*, p. 142 ff.

by the staff wiretapping. The staff's organization was inherently unstable as well as unsuited to the smooth functioning of a highly complex model for policy formulation. Between September 1969 and the summer of 1970, for a *variety* of reasons, seven of these staffers had left the Staff, including the first two Secretaries, the long-range planner, the planner/coordinator, and several of the original front office and special projects staff. When the dust settled, a somewhat simplified organization emerged emphasizing a central screening and coordination mechanism under the control of the two men who would henceforth "run" the Staff in Kissinger's absence—and in some cases in his presence as well. General Haig, later to be formally recognized as Deputy Assistant, had seen an opportunity in the organizational chaos of the first year; Kissinger needed someone to rescue him from its effects by assuming the role of substantive and managerial staff director. To help him, he arranged the transfer to the staff of Colonel Richard Kennedy, a colleague from the Pentagon's ISA staff, who assumed the position of Director of Planning and Coordination and served as the Deputy's deputy. Given Kissinger's engagement in key operational matters, this combination developed access to the system's paper flow (both within and outside the formal system administered by the Staff Secretary) and leverage in relations between senior staff members, and between them and Kissinger. Though resisted, on occasion, the two men had the advantage of Kissinger's confidence on many of the most sensitive issues; many, though not all, staff members found it more convenient to work through them than around them.

The significance of this evolution for the Staff and the system was twofold. First, though access to Kissinger continued to deteriorate, the Deputy and Director of Planning had the access and the mandate to provide a reasonable feel for Kissinger's priorities and sensitivities in their dealings with other staffers and with the bureaucracy at large. Second, they and the Staff Secretary were somewhat less inclined than some of their predecessors to question Kissinger's views on substance but more inclined to put out rather than stir up bureaucratic brush-fires and to find a *modus vivendi* between the White House and the agencies on questions involving the formal system. This entailed minimizing unpleasant surprises on both sides of the White House-agency relationship through continuous contact while screening communications in both directions for sensitivity or deviation from current policy and procedures. Third, in a formal system that was increasingly logjammed at the top, they served as "facilitators" in devising a means to permit the system to function on lesser issues and those questions where Kissinger's preferences were

largely unknown. In some instances, what the system most lacked was guidance as to what kinds of actions and issues Kissinger or the President should (and would) address, judgments which helped sort out the massive flow of studies and action documents. In others, it lacked a strategy for moving routine but nonetheless important papers forward, something they were well placed to provide.

Resolution of the Staff's management and coordination problems mirrored a more general tendency toward routinization. The Staff's operating components, the 22 regional and functional operators and the program analysts, rapidly learned the limits of the possible. Operators in lower priority areas generally ceased attempting to innovate or force the pace if it was clear that Kissinger had little interest in doing so. There was an extraordinarily delicate role of conveying such White House guidance as existed while monitoring on-going activities in the bureaucracy and cooperating where possible with worthwhile agency efforts, without becoming co-opted by their agency constituents. At the same time, they had the task of permitting the wider bureaucracy to do its day-to-day business. In practice, this often meant telling Kissinger the minimum necessary to get his signature on a piece of paper and resisting any temptation to "educate" or engage him. It was no accident that the policy areas least on the Administration's agenda—Africa, United Nations, Latin America, Middle East and South Asia—were headed by veteran agency officials who had all by 1971–72 served on the NSC previously under the Kennedy or Johnson Administrations.⁴³

This is not to say that these men disagreed with the existing priorities, though their roles may have obliged them to at times, but simply that they had, if anything, less of an initiatory role and faced less open action channels than during their previous incarnations in the 1960s. Repeated efforts to get major Latin American studies on the SRG agenda bore witness to the problem of getting top level attention when the key issues involved bilateral aid program and investment issues. Country and regional policy reviews prepared in response to NSSMs often gathered dust for such reasons. Equally significant, the early efforts of the program analysts to launch more rigorous studies in the single country context petered out after five studies were prepared: Kissinger not only questioned the analytic assumptions emphasizing quantifiable variables but declined to support the program analysis staff on issues that brought it into direct conflict

⁴³The reference is to Marshall Wright, Harold Saunders and Robert Jordan, senior staffers, respectively, for Africa/U.N., Middle East/South Asia, and Latin America during the 1971–72 period.

with the regional operators. The exceptions which proved the rule were arms control and Vietnam issues, where the data-based techniques proved indispensable. Ironically, State's own modest efforts at program analysis (the CASP and PARA studies prepared in the regional bureaus from field submissions) were as likely to get attention from regional NSC operators as were the staff's own program analysts.

Routinization and lack of interaction among elements of the Staff were far less apparent for obvious reasons among the European and Asian area staffs and those program analysts working on the "central" issues. Together with Kissinger's special projects staffers, the Deputy, and the Director of Planning, these men constituted Kissinger's closest collaborators and idea men. Consequently they were able both to force the NSSM system to work on major issues and to take a more directive role in day-to-day affairs with their agency counterparts. Between them, the Asia, Europe, and Program Analysis staffs, supplemented by officers working directly under Kissinger, Haig, and Kennedy, dominated the Staff's paper flow and the system's meeting schedule. Over two-thirds of the NSSM reviews related to Europe, Asia, or defense and arms control problems. Though much policy was made outside the formal channels, much was achieved within them as well. The relative effectiveness of the model for building coherent and centralized White House leadership on front burner questions, parallel to WSAG's impact on the inescapably front burner crisis issues, suggests some broader lessons for the future.

VI. LESSONS FOR THE FUTURE

1. *The NSC System as a Presidential Instrument.* This record of the Nixon-Kissinger NSC system confirms the conclusion of the Jackson Subcommittee staff 13 years ago that the NSC exists "only to serve the President" and that he is the sole judge of how and when it will be used.⁴⁴ Though the statement pertains to the Chief Executive's *legal authority*, it would appear to apply as well as a statement of *political reality*. Even in the case of a President who remodelled the NSC system to serve as his instrument of leadership and control, he used it only to the extent that it proved convenient and workable in practice. It is therefore highly unlikely that any form of statutory reform of the NSC legislation can be effective in imposing new "process" objectives on a future President with his own ideas.

⁴⁴"The National Security Council", a Staff Report of the Subcommittee on National Policy Machinery, Committee on Government Operations, U.S. Senate, in *Organizing for National Security*, Vol. III (1961), pp. 31, 38.

2. *The Model Remains Untested.* The Nixon-Kissinger model as designed and outlined formally in directives and public statements was not fully implemented in practice. The personal goals and styles of the two men remained in uneasy disequilibrium, if not inconsistency, with some of the organizing principles of the formal system they established—comprehensiveness, openness, explicit decision channels, etc. Specifically, the effort to centralize and master the foreign policy process conflicted with the actual behavior of the reformers, who often denied the formal system the resources it would need to perform: their time and interest in the results produced and their trust that it could work to their advantage. Although they used the mechanism effectively on certain issues, the structure was unable to digest much of what it produced. As a result, the locus of decision and initiative was sometimes forced out of White House hands by the very system designed to centralize everything. In other cases, there was no locus of decision and initiative at all. The model remains untested.

3. *The Model Was Flawed.* The extent of changes in the actual operation of the system between 1969 and 1971 requires explanation. Either it was not designed to be durable, or it was not a durable model. Alternatively, both could be true. In any event, the formal system laid out in December 1968 overemphasized the potential for objective analysis that reserved all decisions for the President and underemphasized the need for sub-Presidential decisions and operational coordination. The facts of power and the complexity of policy itself assured that lower level decision and coordination would be necessary and that unless the Assistant and his Staff did it, others would. By 1971, a different model had emerged, one in which issues of leverage, decision, and initiative were more clearly resolved and in which a tacit division of labor existed between the White House and the agencies. This revised setup was in essence an institutional *modus vivendi* reflecting the power realities of the Administration and its substantive policy preferences. Institutional goals as such were downgraded.

4. *But It Had Real Strengths.* The Nixon-Kissinger NSC system unquestionably succeeded as a *personal* vehicle of leadership and power. In *institutional* terms also there were innovations of merit. The core concept of centralized, White House management of the foreign policy process cannot be rejected solely because it went so far in this case or because of the contemporary reaction against presidentialism in foreign affairs. Future reformers must first determine whether there are other means of coping with the risks of unrestrained interagency self-determination. Secondly, this analysis has indicated a measure of success in the record of WSAG, the options system, and, in some measure, the NSSM process. Parts of the system did, inter-

mittently, work to produce actions which would not have emerged from prior systems or which would have taken longer to emerge. Specifically, the role of a centralizing staff and committee structure with some say over how the operating agencies do business may be essential until such time as one of those agencies themselves (State?) develops the institutional competence to direct the policy process on the President's behalf.

5. *The Ambivalence of Reformers with Power.* These reformers may represent a more general characteristic of men with power, especially those ultimately responsive to an electoral process: a tendency toward ambivalence in their leadership objectives. On the one hand, they sought control and power in a private way, and they were interested in substantive results. On the other hand, like many public men, they carried with them a baggage of philosophic convictions about the way things ought to work and a set of perceptions about why they often did not work in the past. The actual operational style of Nixon and Kissinger sprung from the former, the formal system from the latter. The inevitable conflict was resolved in favor of personal control and personal success. We can conclude that such ambivalence may be especially likely in the case of public men with minimal prior experience in running things.⁴⁵

6. *Certain Problems May Be Insoluble, Especially by Certain Men.* Few would dispute the cogency of many of Kissinger's pre-1969 assessments of the impact of bureaucracy on policy making. But the emotional force of antibureaucratic sentiment, when translated into a personal operating style, worked to accentuate obstacles of a bureaucratic political nature. The determination to put a stop to autonomous action resulted in brilliant performance in some arenas while in others an increasing routinization and a downgrading of the idea-generating function. While there are doubtless inherent pressures toward declining creativity in even the best of organizations, these pressures may ironically be aggravated when leadership becomes convinced that it must personalize the search for creativity.

7. *There Were Not Enough Committees.* The formal system placed emphasis on channels and proce-

dures created by Presidential directive. It described itself and was often described by others in terms of interagency mechanisms whose function was to organize and digest the government's foreign policy business. But the very proliferation of standing committees has disguised the fact that the only real innovations were (a) placing most interagency business at the Assistant and Under Secretary level under the chairmanship of Kissinger and (b) broadening the mandate and range of problems to be addressed at this level. After the creation of the Senior Review Group in 1970, there was, as Kissinger repeatedly emphasized, but one core group of five men (Kissinger, Under Secretary of State, Deputy Secretary of Defense, Chairman of Joint Chiefs of Staff, Director of CIA) who formed most, if not all, of the membership of the six committees described above. The group's name changed with its agenda. It worked hard and was often effective, but it was not enough. Though the organizing NSDMs specified that the subordinate committees were "NSC IGs" and "NSC Ad Hoc Groups", these groups remained *potential agency instruments*. Over time, they functioned as Presidential (or Kissingerian) instruments for coherent policy only when Kissinger consciously chose to so shape them by the use of his Staff and by linking them organically to ongoing operations or negotiations being conducted from the White House. A remedy to the bottleneck problem would have been to explicitly delegate certain coordination and decision functions to subordinate committees while drawing them closer to White House priorities through the use of staff. This, of course, presumes a willingness to delegate.

8. *There Was Too Little Strength in the Staff.* The model depended from the outset on the performance of an awesome range of staffing functions. Had it been fully implemented, more staff would probably have been needed. Several Staff elements were able to get through their work only because there was so little real NSC business in their areas. More important, the factor of personal style provided much of the Staff with so little access to the top man and so little feel for his interests that he had relatively few ambassadors to bring team spirit and drive to the largely fragmented Staff. If a strong, White House-centered model, or something like it, is ever to be properly tested, it will require a more effective effort to bring coherence and comprehensiveness through delegation.

⁴⁵See Seidman, op. cit., pp. 64-76 for a discussion of recent Presidential preoccupation with the decision function at the expense of execution, a circumstance he attributes to the introduction of "Congressional style" into the White House.

The Case of the Planning and Coordination Staff: Department of State

by Melbourne L. Spector

INTRODUCTION

The organization of the Planning and Coordination Staff (S/PC) of the Department of State is an example of an organizational change which was partially successful and more successful at one time than at another. The staff was organized during the tenure of Secretary William P. Rogers and was reorganized shortly after the advent of Dr. Henry A. Kissinger as Secretary.

The organizational change was intended to have several effects:

- To regain a more important and effective foreign policy role for the Department vis-à-vis the White House National Security Council (NSC) staff,
- To make policy planning in the Department more relevant and useful, and
- To provide better coordination of policies and plans within the Department and with other foreign affairs agencies.

By combining the policy planning and coordination functions, each reinforced the other, and the new staff had some degree of success. This was especially true during the tenure of Under Secretary Elliot L. Richardson. The Department gained a larger and more influential role than it had had during the first six months of 1969. Policy planning and coordination became more effective, and new policy areas were explored. However, the main focus on foreign policy determination remained in the White House.

The factors which seemed to have played a positive role were: (1) the combination of the policy planning and coordination functions; and (2) the action assignments of S/PC on two important policy documents—the White House National Security Study Memorandums (NSSMs) and the State Department policy documents, the Policy Analysis and Resource Allocation (PARA) papers.

In addition, it was given an increasingly important participation in the Department's budget review process.

Among the factors operating against a more successful operation was the determination of the President to keep the main foreign policy focus in the White House under Dr. Kissinger. This revealed where the main power lay, depreciating State's role and relationship with other agencies. It undercut State's attempt to build a stronger staff, thereby further delimiting S/PC's abilities.

Another factor was the seeming indifference of Secretary Rogers to the operation. After Richardson's departure, John Irwin, his successor, did not have the same relationship with Kissinger that Richardson had enjoyed.

Another factor working against a more successful role for S/PC was the Department's traditional distrust of management in general and of staff planning in particular. The use of various systems, such as planning and budgeting documents, helped when they were properly used.

The appointment of Dr. Kissinger as Secretary of State and, in turn, his appointment of a trusted and respected colleague as head of policy planning, promises to restore the function to the preeminence it once had when similar top-level interest and trust existed.

AN IMPORTANT MEMORANDUM

On April 22, 1969, Under Secretary of State Elliot Richardson sent a memorandum to Secretary William Rogers, titled "A Seventh Floor¹ Planning

¹"Seventh Floor" is the State Department term for the top-ranking officials of the Department whose suites are on the building's seventh floor. At the time these top officials were the Secretary, the Under Secretary, the Under Secretary for Political Affairs, the Deputy Under Secretary for Economic Affairs, the Deputy Under Secretary for Administration, and the Counsellor.

and Coordination Staff".² Richardson stated the problem succinctly:

"The Problem:—The Secretary of State, in directing the conduct of the foreign policy and advising the President on foreign policy issues, should be in a position to take into account all relevant global, functional, and long-range considerations. The Secretary's principal Seventh Floor associates, to the extent that they exercise comparable functions, should be in a similar position. They should be able to draw on the resources of a compact staff for analysis and advice not subject to the understandable—and even desirable—parochialism of the regional bureaus. Similarly, they need a centralized organ for substantive follow-up and monitoring of action decision. As matters stand, the Secretary of State and his principal associates lack the staff backup necessary to meet these requirements . . .

" . . . The revitalized NSC (National Security Council) system, meanwhile, has placed increased responsibility on the Department, notably the Assistant Secretaries, for coordinating the definition of policy issues and options within the Executive Branch. This in turn calls upon the Seventh Floor to provide effective policy guidance and review for the bureaus with respect to NSC projects from the standpoint of Seventh Floor interests.

"The closest we now get to the kind of across-the-board substantive staff backup required for these purposes is through the Policy Planning Council and the staff of the Under Secretaries Committee . . . In fact, however, the deliberations of the Policy Planning Council all too seldom affect operational decisions, and the role of the Under Secretaries Committee staff extends only to matters referred to the Committee by the NSC."

The memorandum went on to propose the merging and modifying of the ongoing Policy Planning Council and the staff of the Under Secretaries Committee into a new Planning and Coordination Staff with the following functions:

"1. To assist the principal officers of the Department in reviewing and coordinating bureau recommendations, not only within their own framework, but also from the perspective of other regions, other functions, and longer time spans.

"2. To assist the principal officers in guiding the Department's participation in the NSC system through: (a) the substantive review of NSC/IG (Interdepartmental Group) papers; (b) preparation for meeting of the NSC, NSC Review

²Memorandum made available to the writer by Jonathan Moore, drafter of the memorandum.

Group, and NSC Under Secretaries Committee; and (c) monitoring the follow-up of NSC decisions.

"3. To carry out planning and program analysis activities transcending bureau lines—a function which would also back up and tie in with Departmental research programs."

With reference to the staff, the memorandum stated that:

—The staff director would have rank equivalent to an Assistant Secretary.

—It would be a collective resource—"common staff"—for all of the Seventh Floor principal officers.

—It would not insert itself in the line of authority between the Seventh Floor and the Sixth Floor (Assistant Secretaries).

—It would be composed of "high calibre officers of broad-gauge abilities" both from within the Department and outside.

—It would not compete or overlap with the Executive Secretariat (S/S).

—It would also have a group of Senior Policy Planning Advisers drawn in part from the academic community and research institutions to serve for at least one year, who would ". . . challenge established points of view, develop new ideas on how to solve difficult problems, and serve as a communication link with academic specialists in foreign affairs".

It would be some ten weeks later, on July 3, 1969, before Secretary Rogers would announce the formation of the new staff.

WHAT WAS BEHIND THE APRIL 22 MEMORANDUM?

By April 22, 1969, Under Secretary Richardson had had some three months association with the other members of the top team on the Seventh Floor. He had been intimately involved with the new Nixon administration's White House-centered foreign policy machine—what John Osborne of "The New Republic" had dubbed "Henry's Wonderful Machine". He had worked with and observed the Department's principal line and staff officers and had taken particular note of the status of the once-prestigious Policy Planning Council (PPC).

Top Team on the Seventh Floor. During December of 1968, Secretary of State-Designate Rogers asked that the U. S. Ambassador to Japan, U. Alexis Johnson, be called to Washington for consultation on forming the new top team of the Department. Mr. Rogers wanted Ambassador Johnson to become the first "Permanent Under Secretary" of the Depart-

ment.³ (This new position was to be authorized by utilizing the other Under Secretary position for the purpose. This position had been used either as Under Secretary "for Political Affairs" or "for Economic Affairs", depending on the wishes of the Secretary.) Mr. Rogers apparently had read the American Foreign Service Association (AFSA) report, *Toward a Modern Diplomacy*, released on August 30, 1968. AFSA had picked up the idea from the Herter Report's minority recommendation of a third-ranking position:

- Titled "Permanent Under Secretary".
- In the direct chain of command, "managing" in all senses—policy-making as well as administration.
- Filled by a career Foreign Service Officer. (It made clear that "Permanent" had reference to the position, not the incumbent.)

Ambassador Johnson demurred. He did not want to be a "layer" between the Assistant Secretaries and the Secretary and his alter ego, the Under Secretary. He believed strongly in line operations. He did not object to taking on some of the managerial responsibilities envisaged by AFSA in the third-ranking job, such as Chairman of the Board of the Foreign Service. However, he was delighted when Richardson assumed this duty, as well as other managerial roles. Secretary Rogers agreed and made Johnson Under Secretary for Political Affairs.

In the ensuing months, the Secretary, Under Secretary Richardson, and Under Secretary Johnson further developed their theory of operations for the Seventh Floor. Johnson had entered the service in 1935, had served in a variety of positions at home and abroad, had twice been Deputy Under Secretary for Political Affairs, and had achieved the five-star permanent rank of Career Ambassador. He had some very definite ideas on top-level organization of the Department. For one thing, he did not like large staffs for the principal officers on the Seventh Floor, feeling that they became little empires, tending to become more "line" than "staff" and to undercut the regular machinery of the Department.

He, therefore, felt that there should be a common staff to serve the principals. He also felt that policy planning should become more closely related to operations and that policy usually was made by the operators. He recalled Walt Rostow's frustrations at not being more deeply involved in the Cuban missile crisis.

Richardson, by this time, had become involved as Chairman of the NSC Under Secretaries Committee (USC). In spite of this operational, coordinating role, Richardson was deeply interested in the policy planning process, desirous of improving it and bringing it closer to operations. Thus, Secretary

³Conversation with Ambassador Johnson by the writer.

Rogers' two principal subordinates complemented each other and meshed well together.

Secretary Rogers, on his part, seemed willing for Richardson to become the "Executive Vice President" of the Department and to oversee the management of the Department's operations. Rogers had other areas of concern. For one thing, he was devoting more and more of his personal time to Middle East affairs, working directly with his old acquaintance of UN days, Joseph Sisco. This was one area in which Kissinger did not dominate and where the Secretary was the center of policy formulation.

The Seventh Floor was kept in movement and coordination largely by the daily, informal meetings of the three men. Customarily the three would meet alone in the morning for 15 or 20 minutes. They would meet again in the late afternoon for another 15 to 20 minutes. These meetings were extremely useful but were not adequate to insure effective policy formulation. More was needed to assure proper participation in the foreign policy-making process and to assure its effective implementation in the foreign affairs community.

The Effects of "Henry's Wonderful Machine". Presidential candidate Richard Nixon, many times during the 1968 campaign, criticized the foreign policy of Kennedy and Johnson. He attributed much of the blame to the downgraded National Security Council and clearly stated his intention "... to restore the National Security Council to its preeminent role in national security planning".⁴ On the afternoon of his inauguration, January 20, 1969, he issued National Security Council Decision Memorandum (NSDM) 2, which set up the new foreign policy system. (It is interesting to note that one of President Ford's first actions was to reaffirm this directive.) On the first day of the new administration, Dr. Kissinger—with the President's obvious blessing—was off and running. What did this mean for the Department and its new leaders?

At first glance the Department and its principal officers on the Seventh and Sixth Floors seemed well placed and able to make their influence felt.⁵

- On the National Security Council, the Secretary was a statutory member; the Under Secretary was an "advisory and invited" member.
- The Under Secretary was the chairman of the operational NSC Under Secretaries Committee. The Committee also included the Under Secretary for Political Affairs, the Deputy Secretary of Defense, the Assistant to the President for National Security Affairs (Kissinger),

⁴Radio address, CBS radio network, October 24, 1968.

⁵The NSC, during this period, is being considered by another case study in this series. Only enough reference will be made to it in order to describe its effect on the Department.

and other ranking officers who were invited.

—Each regional Assistant Secretary of State chaired an Interdepartmental Group (IG) for his region. Each Group included Assistant Secretaries for Defense, Treasury, Commerce, and other related agencies and departments; as well as representatives from the NSC staff, CIA, and the Joint Chiefs of Staff.

—There was State representation on the NSC Review Group, chaired by Kissinger. State representation, like other agencies and departments, was at the Assistant Secretary level.

The system of policy formulation and implementation was to be based upon a series of National Security Study Memorandums (NSSMs) and National Security Decision Memorandums (NSDMs). The NSSM was a Presidential directive calling for the preparation of a policy paper on an important problem or issue. These were prepared by the IG and then sent to the Review Group, where they could be reviewed and, perhaps, amended by the NSC staff and then sent to the President and the NSC. Decisions coming from the NSC were prepared by the NSC staff and then authorized by the President. The Under Secretaries Committee was to provide operational coordination of issues decided by the NSDMs. It also was to consider issues referred to it by the Review Group.

The new NSC system presented problems for the Department. On policy issues the IG reported to the Review Group, and thus, in a way, the Assistant Secretary was in direct line of command with the National Security Advisor. This posed a coordination problem. The line converged in the White House, not on the Seventh Floor. Richardson soon saw the problem from the Seventh Floor viewpoint and, aided and abetted by Jonathan Moore, his principal assistant and an old friend of Kissinger, sought to be made chairman of the Review Group.⁶ He failed. He would now have to use the Department's position bases in the system—the Secretary's and the Under Secretary's membership on the NSC, the Under Secretary's chairmanship of the USC, the Department's membership on the Review Group, and the Assistant Secretaries' chairmanships of the IG's.

In practice, the most important device, in terms of State's impact on the system, was Richardson's demand to review the policy papers (NSSMs) before they left the Department. Desks were soon crowding his anterooms and overflowing into the halls. But, at least, the Seventh Floor began to assert influence on a significant part of the process, the NSSMs. (In the first six months, more than 60

⁶Marvin Kalb and Bernard Kalb, *Kissinger*, (Boston: Little, Brown and Company, 1974), p. 78f.

NSSMs were issued.) Whether this would be enough to influence the system, especially with its NSC stable of good and vigorous talent,⁷ would remain to be seen.

How to Organize for Policy Planning

Much of the Department's effectiveness in dealing with the NSC power and apparatus depends on the policy planning function in the Department itself. Secretary George Marshall had created the first formal organization, drawing on his own military administrative experience of using a policy and plans staff. He appointed George Kennan as the first director, and Kennan and his staff of five soon came up with the Marshall Plan. Kennan remained very close to Secretary Marshall, but he did not have the same relationship with Acheson; the chemistry wasn't the same, and so Kennan left. However, with Paul Nitze as chief, relations with Acheson improved, and the staff again made valuable contributions. There were other good working combinations of Secretary and chief planner—Secretary Dulles and Robert Bowie, Secretary Dulles and Gerard Smith.

More recently there had been Dean Rusk and Walt W. Rostow. Rostow enjoyed a very special relationship with both Kennedy and Rusk. He brought to the Department his long relationship with President Kennedy, dating many years before the "Thousand Days". Even at the Department with the knowledge and acquiescence of Rusk, he kept open a direct communication line with Kennedy and often would send him a memorandum (with a copy to Rusk) via that best of all channels, the private secretary, in this case, Mrs. Evelyn Lincoln. He did the same with President Johnson.⁸

Rostow and his staff made many notable contributions, among them the famous "Khrushchev at Bay" study, the "Declaration of Independence" speech at Philadelphia, and one of the first studies on the upcoming food crisis of the world. Richard Barrett found in Rostow one of his strongest and most enthusiastic allies for his Comprehensive Country Programming System (CCPS). (In fact, programming in foreign affairs might have had a different, happier history if Rostow had stayed in the Department.)

However, an assessment of policy planning's effectiveness would have to be judged according to who was doing the judging. If, as one observer has

⁷On February 7, 1969, Kissinger already had such people on his staff as Helmut Sonnenfeldt, Fred Bergsten, Morton Halperin, Lawrence Eagleburger, Winston Lord, Richard Moose, and Alexander Haig, to mention a few.

⁸Conversation of Walt W. Rostow and the writer.

put it, the staff comes up with only one or two good ideas a year, then policy planning has been effective—and Rostow's staff more than most. If, on the other hand, policy planning ought to give a lift to day-to-day operations, infusing them with an "eye over the horizon" and relating them to coherent, up-dated policy, then policy planning in State had never been too successful.

Policy planning itself meant different things to different people. One recent scholar in the field, for example, came up with at least 15 versions, but finally settled on that of George Allen Morgan's, "Planning is thinking ahead with a view to action".⁹ Dean Acheson had put it this way:

"The General (Marshall) conceived the function . . . as being to look ahead, not into the distant future, but beyond the vision of the operating officers caught in the smoke and crises of current battle; far enough ahead to see the emerging form of things to come and outline what should be done to meet or anticipate them. In doing this the staff should also do something else—constantly reappraise what was being done. General Marshall was acutely aware that policies acquired their own momentum and went on after the reasons that inspired them had ceased . . ." ¹⁰

However, the perennial problem was how close "planning" should get to "operations". Acheson went on to point out that:

"Distraction lurks on two sides: on one, to be lured into operations; on the other, into encyclopedism, into the amassing of analyses of the problems of every area and country with the various contingencies that might arise and the courses of action that might be taken to meet them." ¹¹

George Kennan, after almost three years of what most would have called a successful tenure, noted this in his diary:

"Pondering today the frustrations of the past week, it occurred to me that my Planning Staff, started nearly three years ago, has simply been a failure. Aside from personal shortcomings, the reason for this seems to lie largely in the impossibility of having the planning function performed outside of the line of command. The formulation of policy is the guts of the work of the Department, and none of it can successfully be placed outside the hierarchy which governs operations . . ." ¹²

Another issue concerned organizational location of the function. The conventional wisdom of the

⁹I. M. Destler, *Presidents, Bureaucrats, and Foreign Policy*, (Princeton: Princeton University Press, 1972), p. 224.

¹⁰Dean Acheson, *Present at the Creation* (New York: W. W. Norton & Co., Inc., 1969), p. 214.

¹¹*Ibid.*, p. 214.

¹²George F. Kennan, *Memoirs: 1925-1950* (Boston-Toronto: Little, Brown & Co., Inc., 1967), p. 467.

Department was that the main action was in the regional bureaus (however, "action" seldom meant "policy planning"). The report of the Subcommittee on Organization and Leadership, which drafted part of the AFSA report, concluded as follows:

"The State Department should do more and better planning. While the functional offices can assist the regional bureaus with their planning, it should be done mainly by the bureaus." ¹³

Still another attempt to make policy planning effective was the programming/budgeting approach, designed to relate policy planning to personnel strength and to the funding of foreign affairs programs. This system was embraced eagerly by Walt Rostow as a method to relate his country policy papers closer to operation. The system was called the Comprehensive Country Programming System (CCPS). For a variety of reasons CCPS did not survive department-wide; but it did survive in the Latin American bureau, as the Country Analysis and Strategy Paper (CASP).¹⁴ (Perhaps the reason the system survived in this one area was that, early in 1964, President Johnson ordered that the Latin American bureau of the State Department and the Agency for International Development (AID) be combined under one man, the Assistant Secretary for Inter-American Affairs, Thomas Mann. The President also made him Special Assistant for Latin American Affairs in the White House.)

Elliot Richardson and Jonathan Moore were well aware of the past history of policy planning in the State Department. They, too, finally concluded that planning does not function well in the abstract, too far away from the foreseeable realities, and unrelated to implementation. On the other hand, they felt that, if it were too closely integrated with operations, it would lose its independence and its integrity; as Moore has put it, "we wanted to have our cake and eat it too". They especially did not want to integrate it into the Executive Secretariat (S/S) operations. They felt that the Secretariat was working well and so tried "to balance things off and to fit things into what was already working very well".

CHOOSING A STAFF DIRECTOR

The all-important step, along with the memorandum of April 22, was the choosing of a Staff Director. The position was accorded the equivalent rank

¹³American Foreign Service Association, *Toward a Modern Diplomacy*, issued August 30, 1968, p. 145.

¹⁴Frederick C. Mosher and John E. Harr, *Programming Systems and Foreign Affairs Leadership* (New York: Oxford University Press, 1970).

of an Assistant Secretaryship, as had the chief of the Policy Planning Council (PPC). There were to be two deputies, one for planning, the other for coordination. (The acting head of PPC was Miriam Camps, who would be leaving in the not too distant future.) The hope was that, upon her departure, someone as able who also had headed a previous policy planning staff, could be persuaded to take the job. The deputy for coordination could be an able Department or Foreign Service Officer. Such a person already was serving as Executive Secretary to the USC, Arthur Hartman.

Richardson and Moore at first tried to fill the position from the outside with someone of the caliber approaching that of Kissinger. But Kissinger and his staff were off and running and persons of real competence were not willing to come to Washington to play the second game in town. A further complicating factor was that the Secretary and Under Secretary Johnson were disposed to fill the post from inside the Department. Among the officers considered were Robert M. Sayre, L. Dean Brown, and George Newman. Both Sayre and Brown, at that point, were serving successfully as Ambassadors. Sayre, Ambassador to Panama, had previously been Ambassador to Uruguay, a very able Deputy Assistant Secretary of the Bureau of Inter-American Affairs (he had been a vigorous champion of CCPS and CASP), and a member of McGeorge Bundy's NSC staff. Brown, at that time, was Ambassador to Senegal and the Gambia. He had been a country director for French-Iberian Affairs and Deputy Director for the Office of Western European Affairs and for Central African Affairs and for the Congo. George Newman was known as a very successful Washington bureaucrat; he had served as Deputy and Acting Chief of Mission in Korea, and had been Ambassador David Bruce's political-military troubleshooter in London. At the moment, Newman was serving as Ambassador Ellsworth Bunker's Public Affairs Officer in Saigon. Newman was the choice of Ambassador Johnson, for whom he had been a troubleshooter and had set up the Seventh Floor's Operations Center in 1961.

William I. Cargo was chosen. Perhaps he better bridged the gap between academia and the bureaucracy than the others. Cargo had earned his masters degree and his doctorate at the University of Michigan in 1941 and had been a political science instructor. A great deal of his service had been in international organization affairs where he had been Deputy and then Director of UN Political Security Affairs from 1957 to 1961. He had been Deputy Chief of the U. S. Mission to the International Atomic Energy Agency; Deputy Chief of Mission in Karachi; and Deputy Chief of U. S. Mission to NATO and to the North Atlantic Council. He was

well known and respected by Joseph J. Sisco and Richard F. Pedersen, two colleagues from international organization affairs. Secretary Rogers had served as a Representative to the UN General Assembly in 1967. He brought Pedersen to Washington as Counselor of the Department and had made Sisco the Assistant Secretary for the vital Middle East. Sisco's and Pedersen's opinions probably tipped the balance in favor of Cargo.

A NEW ORGANIZATION IS BORN

On July 3, 1969, Secretary Rogers announced the formation of the new Planning and Coordination Staff (S/PC) and the designation of Cargo as its staff director. The new office was to serve the Seventh Floor officials collectively. The purpose of the staff was:

- a. To effect a more relevant and useful role for policy planning in the Department's policy formulating processes;
- b. To make directly available to the Secretary and his principal associates staff analysis and advice particularly focusing on the world-wide and long-range implications of important policy issues;
- c. To assist in assuring the coordinated and most effective inter-agency participation of the Department on foreign policy matters."¹⁵

The functions of two groups were amalgamated into the new organization—the Policy Planning Council and the Under Secretary's own coordinating staff. The staff would be small, perhaps no more than 20, and would be a mixture from the Foreign Service, other Federal agencies, the academic community, and elsewhere outside the government. Later, the sources for staffing were further amplified to include the Department itself (previously only the Foreign Service had been mentioned) and "research institutions".

Miriam Camps became the Deputy Director for Planning and Art Hartman the Deputy Director for Coordination.

Thus, most of Richardson's recommendations were adopted. Policy planning would be made more effective by merging it with the coordination function of the Under Secretaries Committee and by getting it directly into the NSSM process. The NSSMs would be improved by the broadening of their consideration in the collegial atmosphere of the Seventh Floor, looking beyond regional considerations and beyond narrow functional lines. The new staff would be small, a mixture of insiders and outsiders.

¹⁵Department of State Press Announcement No. 186, July 3, 1969.

WHAT HAPPENED?

The new organization seemed to get off to a good start. The action for NSSMs was assigned to S/PC. It thus got full control of one "handle". Although assigned to the "coordination" side of S/PC, other members of S/PC also worked on the NSSMs. This was perhaps one of S/PC's most valuable roles: helping the bureaus understand the new system.

Studies were undertaken in such fields as Indian Ocean policy, energy requirements for the future, commercial policy, UK entry into the Common Market, and policies towards Mexico and Canada. The new organization did not do as well as it would have liked in recruiting "outsiders". A few were recruited, but not enough. Having a new White House Fellow assigned each year helped, but even here, after Richardson's departure, S/PC almost lost its position for a Fellow.

ENTER MACOMBER

William B. Macomber became Deputy Under Secretary for Administration in October of 1969, after Secretary Rogers successfully resisted Congressman John Rooney's attempted veto of Macomber's appointment. Rooney, as Chairman of the House Subcommittee on Appropriations for State, Justice, and the Judiciary, for years had intimidated the Department. No one could remember when State's top administrative official had either been appointed or survived in office without Rooney's approval. When Macomber's name was floated to Rooney, he signaled his violent disapproval. But Rogers persisted, finally compromised on a Rooney favorite as Assistant Secretary for Administration, and Macomber was nominated and confirmed.

Macomber came to the job after almost 20 years experience in foreign affairs, having served in the Department, in Jordan as Ambassador, in AID as an Assistant Administrator for the Near East and South Asia, and, since March 1967, as Assistant Secretary of State for Congressional Relations. He had acquired some very definite ideas about the Department and its officers. He felt that the Department had to be modernized if it were to become first among equals in foreign affairs. He felt that its officers, instead of aspiring only to be diplomats, should also aspire to be managers as well. He had excellent allies not only in Elliot Richardson but in Wilmot Hastings (another assistant to Richardson) and in Thomas Stern, Deputy Assistant Secretary for Organization and Management.

Macomber launched a series of task forces, early

in 1970, to explore what should be done to improve the Department's operation. The members of the task forces were chosen mostly from within the Department and from other foreign affairs agencies. The groups worked through the rest of the year and submitted their findings and recommendations to the Secretary on November 20, 1970, in a report entitled *Diplomacy for the Seventies*.

EXIT RICHARDSON

While the task forces were deliberating, Richardson left the State Department to become Secretary of Health, Education, and Welfare in June, 1970. Secretary Rogers did not replace him until John Irwin entered on duty the latter part of September, 1970. The role that Richardson had played as Under Secretary was very much in the members' minds as they devised a new strategy for the Department's operations.¹⁶ Richardson's departure had a profound effect on the new organization. It had lost its principal consumer and management-minded top executive. Also, the effective link with Kissinger had been broken.

"DIPLOMACY FOR THE SEVENTIES" AND S/PC

The Task Force on Management Tools found that:

"... the 'planning' side of S/PC has in fact served mainly as a staff to explore issues of interest to the principal officers. The 'Coordination' staff has done some work which might be called within the NSSM process, which has forced a critical evaluation of a wide range of substantive issues. These efforts, however, are largely ad hoc, do not always yield results that can be used in decision-making and generally do not extend to control of resource allocation or guidance for the budgeting processes of those agencies whose programs may be affected by the decisions."¹⁷

Out of the deliberations came the recommendation for a Policy Analysis and Resource Allocation system to be called PARA. Macomber had suggested some such idea in his speech launching the task forces.¹⁸ The new system would not be mandatory for any part of the Department, and its design

¹⁶The head of one task force told the writer that his group had decided to recommend program evaluation be added to S/PC's function before they knew Richardson was leaving. After he left, they recommended in their final report that the function be placed elsewhere.

¹⁷*Diplomacy for the Seventies*, p. 558.

¹⁸*Diplomacy for the Seventies*, p. 601.

would be flexible to accommodate to each bureau and each geographic area's needs.

The recommendation was adopted in July, 1971. The Deputy Secretary (the Under Secretary renamed) had the responsibility for overseeing the substantive work of the PARA; the Deputy Under Secretary for Management (formerly, "... for Administration") for the development of the PARA system; and the Planning and Coordination Staff for providing staff support. To implement PARA in S/PC, a new Deputy Director was appointed, Claus W. Ruser, who long had worked with Art Hartman on the coordination side. Tom Stern was asked to move over to become a deputy to Ruser in order to bring the management side of the Department and the policy side together.

PARA—ANOTHER HANDLE

With action responsibility for PARA, S/PC obtained another handle. Although the form varied from bureau to bureau (in the Latin American region CASP was PARA), the document began with a country (or regional) analysis, defining U. S. interests, assigning priorities to those interests, and sometimes delimiting courses of action including allocation of resources, both personnel strength and program funds.

The PARA document then went through a Seventh Floor review, which resulted in a Policy Analysis Decision Memorandum (PADM). Sometimes the PARA/PADMs went to the IGs, sometimes not. However, by the end of 1972, PARA had covered over 100 countries and two of the functional bureaus.

Perhaps, more importantly, those S/PC staffers, working on PARA, were asked to sit on the Department's own budget reviews. This gave S/PC a partial grip on still another handle.

PARA's biggest contribution was on the policy analysis side. The operators and the Seventh Floor principals and staff did go through a reasoning process, analyzing issues, trying to identify U. S. objectives, and discerning possible courses of action for the U. S. However, the resource side of PARA did not fare as well. As one observer put it, "We have PA, but very little RA." It was very difficult to get a handle on the resource allocation function, partially because the resources of the Department were so limited that it was difficult to reallocate one part to another, either from region to region or from bureau to bureau. Except for Latin America, where the CASP has been in effect for quite a while, the regions had a very difficult time of affecting the resource allocation of other agencies.

A NEW TEAM TAKES OVER

Three of the principal players left the Seventh Floor in early 1973. Irwin left in January to become Ambassador to France; Kenneth Rush, who had been U. S. Ambassador to West Germany, became Deputy Secretary in February, 1973. Macomber left in March; Curtis Tarr, Under Secretary for Security Assistance, assumed Macomber's duties on an acting basis. Cargo left in July to become Ambassador to Nepal.

Cargo was replaced by James S. Sutterlin. Sutterlin had concentrated on German affairs for most of his career and, recently, had been Country Director for Germany, a position which he had held for four years and where he worked closely with Kenneth Rush. Sutterlin persuaded Deputy Secretary Rush to give up the PARA operation and to pass action for the NSSMs to the Executive Secretariat. Thus, two handles were gone. Sutterlin was replaced soon by Winston Lord, one of Secretary Kissinger's closest aides. The staff was renamed the Policy Planning Staff.

AN OVERALL APPRAISAL

It is difficult to state how successful an organizational change the Planning and Coordination Staff actually was. It was certainly partially successful. But its success varied with the times, usually with the degree of interest shown in its operations by the top level of the Department and in the various tools or handles it was allowed to use. The following section summarizes the effects the change was intended to have, what actually did happen, and, finally, why?

What Effects Were the Proposed Changes Intended to Have? Briefly, they can be listed as follows:

1. To regain for the Department a more important and effective foreign policy role vis-à-vis the White House-centered policy-making machinery,
2. To make policy planning in the Department more relevant and useful, and
3. To provide better coordination of policies and plans within the Department and with other foreign affairs agencies.

What Effects Were Actually Experienced? The actual effects include:

1. *State Department vs. NSC Staff.* Richardson and others certainly were unrealistic in expecting to make the Department the glamour foreign policy center. The big headline-grabbing news still came from the White House. Neither Nixon nor Kissinger had any intention of allowing the Department to become involved in the major issues that were on the President's desk. Yet, the Department quietly

got its work done in those areas where it was allowed to function. Certainly, up to that point, the Department had the main thrust for the Middle East, Africa, and Latin America. In yet other areas, the Department had served up the important documents, even though these were later gone over by the NSC staff.

2. *To Effect a More Relevant and Useful Role for Policy Planning.* Perhaps S/PC succeeded here to a greater extent than is generally acknowledged. If policy planning becomes more relevant and useful in proportion to the number of "operators" who use a systematic, rational approach to the confrontation of issues and the solution of problems, then S/PC had some successes. These successes came largely in the use of the three handles—the NSSM, PARA, and in participation in the Department's budget process. Another area in which S/PC made a major contribution was in the annual drafting of the President's and the Secretary's annual foreign policy reports. This, like writing speeches, can be vastly overlooked in policy-setting.

3. *To Provide a Coordination of Policies and Plans Within the Department and with Other Foreign Affairs Agencies.* Here again, S/PC had some successes, aided at the appropriate times by top-level interests and by admission into the NSC-NSSM system and in the PARA system. It was most effective in instances in which the Department already had the most clout, either because of lack of interest in that area by the White House or where S/PC could provide helpful linkages to the NSC staff requirements and provide coordination between regions and functional areas.

What Factors Were Responsible? The main factors which seem to have affected the degree of success of S/PC follow: (1) the location of power; (2) the degree of top-level interest; (3) the attitude towards administration or management; and (4) the use of tools or "handles".

The Location of Power. It quickly became apparent in the new administration that, as far as most foreign policy formulations were concerned, the main game in town was in the White House basement.¹⁹ Congress knew it; the media knew it; academia knew it, and, most certainly, the State Department and most foreign affairs agencies knew it. Of course, this was what the President and his National Security Adviser wanted. Secretary Kissinger said it recently, "... the organization of the Department of State is more geared to producing cables and day-to-day tactical decisions than it is to getting a grip on national policy".²⁰ With the main action elsewhere, Richardson and Moore found it almost

impossible to recruit from the outside the kind of talent they had envisaged. They were able to recruit a few capable individuals but not nearly enough. Similarly, they were not able to recruit enough of the best talent from within the system itself. Quite simply, many stayed away, not wishing to become "second-class citizens" in the policy planning field.

Degree of Top-level Interest. As one veteran of the Policy Planning Council and S/PC put it: "Policy planning doesn't mean a thing unless it has a consumer". Policy planning had a consumer in Elliot Richardson but not in Secretary Rogers nor in any of Richardson's successors. The history of the planning function in State amply supports this thesis. Policy planning was especially successful under Secretaries Marshall, Acheson, and Dulles because each man had a deep interest in it. It also is significant that each of these Secretaries was close to the President and that the President had full respect for each Secretary.

It seems that, perhaps, the policy planning in State may again be given the impact it once had because of the relationship between Kissinger and Winston Lord. Kissinger recently stated, "Now, I have attempted to get at the conceptual problem first and not to bother reorganizing the operational part particularly. I think the Policy Planning Staff (this is the re-named S/PC staff now under Winston Lord) is in a more central position in the Department of State today than it has been at any time since George Kennan. I believe the quality of its work is outstanding . . ." ²¹

The Attitude Towards Administration or Management. The Department and the Foreign Service have never been noted for enthusiasm toward modern management or administration. The concept of planning, as has been found in many other institutions, seems to be a part of modern management. Even though policy planning was made respectable by such practitioners as Kennan, Nitze, Bowie, and others, it has never really caught on in the State Department. By and large, the average officer feels that he is capable of the right intuitive approach to an issue or problem. Gaming, role-playing, public opinion polls, and other such items are either rejected out of hand or looked on with great skepticism. As far as policy planning is concerned, it is revealing to note that, although the State Department has had a formalized policy planning organization of one kind or another since 1947, not a single regional bureau has its own planning staff. One must wait to see what Kissinger and Lord will be able to do.

Use of Tools or "Handles". In considering the effectiveness of organizational change, one has to consider not only the structure and location of the or-

¹⁹Kissinger's office was there for the first three years of the Nixon administration.

²⁰See *The New York Times*, October 13, 1974, p. 34.

²¹Ibid.

ganization, the personalities and relationships of the principal players, the attitudes of the personnel affected, but also the use of systems, call them tools or handles or whatever. S/PC, during most of its existence, had two principal tools, the NSSM and PARA. Both of these seem to have given S/PC some clout and to have helped in its policy formulation and coordination roles. As has been mentioned before, another useful tool to S/PC has been its increasing participation in the budget process. This has become a very important factor.

One question left unresolved is that of how close policy planning should have been related to another system within the State Department, that of

the Executive Secretariat function. If, in the future, the Secretary and the chief of the policy planning staff prove incompatible, the policy planning function might be made a part of the Executive Secretariat. The Executive Secretary must see the Secretary daily. He sits astride all of the communications, major and minor, of the Department. If the Secretary has no faith in the Executive Secretary, he will quickly find one in whom he does. What then would be the role of policy planning in the Department?

Stating Kennan's and Moore's thesis another way, policy formulation without some formal mechanism tying it to program and operational decisions is of relatively small utility.

Creation and Evolution of the Council on International Economic Policy

by Dominic Del Guidice

INTRODUCTION

This case study deals with the creation and evolution of the Council on International Economic Policy (CIEP). It does not concern a reorganization as such, since functions were not transferred from other agencies. Instead, at issue is the utility of employing an interagency coordinating mechanism, in this instance one designed to give cohesion and direction to international economic policy, as an alternative to basic reorganization.

The case study identifies some of the deficiencies which developed and deepened with respect to international economic policy between the end of World War II and the late 1960's, and it briefly reviews earlier attempts to strengthen this area. A major difficulty facing such efforts was the large number of agencies and officials with legitimate interest in the subject. This was compounded by the fact that a single lead agency did not appear to exist. Indeed, as of the late 1960's, four agencies could substantiate, to some degree, a claim of primacy—State, Treasury, Commerce, and the National Security Council. And, unfortunately, the subject was too vital for any one of them to permit any other to assume leadership. It is in circumstances such as these that pressures develop for creation of a coordinating mechanism, especially since such a move can obviate the need to select a lead agency.

Identified deficiencies in the fragmented approach which marked the period were: lack of a clear, top-level focus for various policy issues, inability to deal with policies as a coherent whole, inconsistencies between domestic and foreign policy components, and a lack of coordination of objectives.

CIEP was created by Presidential memorandum in January 1971 to help correct these weaknesses. It is important in evaluating CIEP's effectiveness to appreciate the demanding and rather vague re-

sponsibilities it assumed and to weigh these against the powers and capabilities it was provided with in carrying out its mission of achieving rationality and order in the field of international economic policy. The additional tasks given to CIEP by Congress in 1972 and 1973 were considerably less demanding, e.g., collection and evaluation of data and preparation of an annual report.

Imprecision of mission and over-promise of accomplishment usually haunt an interagency coordinating mechanism. These and other aspects of such mechanisms have been discussed by Harold Seidman, whose thesis may be summarized as follows:

When interagency committees fail as coordinators, the fault is sought in the formula, not in deeper underlying causes; where conflicts result from clashes in statutory missions or differences in legislative mandates, they cannot be papered over by councils and committees; if committees are to be effective, they must share a community of interests about basic goals; coordinating devices are not neutral and tend to favor some interests over others; and interagency coordinating mechanisms are the result, not the cause, of our inability to agree on coherent national objectives and to find workable and politically acceptable solutions to problems of executive branch organization.¹

Seidman cites the critical comments of several who view coordinating mechanisms with disfavor and, at one point, calls them the "crab grass in the garden of Government institutions." Yet he concedes that, in certain circumstances, there are no satisfactory substitutes. When they are employed, he suggests that: (1) only advisory functions be assigned to them; (2) missions be tailored to capabilities; (3) membership remain small, and (4) institu-

¹See Harold Seidman, *Politics, Position, and Power* (New York: Oxford University Press, 1970), especially Chapter 6, pp. 164-191.

tionalization of staff and procedures be minimized. As will be shown, points (1), (2), and (3) were not adhered to in the evolution of CIEP.

Perhaps the most basic flaw in any interagency coordinating mechanism is the likelihood that the conditions which rule out "satisfactory substitutes" also will act to impede the coordinating agency itself.

THE CONTEXT: BACKGROUND AND ORIGINS

The chain of events which led eventually to the creation of CIEP can be traced back to the end of World War II, when, in the words of CIEP's 1974 report:

"The United States was clearly the dominant force in the world's economy. Although the United States remains preeminent, other countries have narrowed the economic gap . . . As we expected—and encouraged—significant economic progress has occurred in Western Europe, and Japan has emerged as a major center of economic power . . . And more recently, we have seen an easing of East-West tensions coupled with a dramatic increase in commerce between countries in both areas . . . But the progress achieved has also created new problems. The flow of goods, services, and capital among nations has reached a magnitude such that few nations, if any, can effectively isolate themselves from economic events elsewhere . . . The growing dependence on imported goods is also having far-reaching repercussions, especially when those goods are critical raw materials in short supply."²

The need for some orchestration of involvements in international economic affairs was appreciated immediately at the close of World War II. The Bretton Woods Agreements Act of 1945, in addition to authorizing U.S. adherence to the Articles of Agreement of the International Monetary Fund and the International Bank for Reconstruction and Development, created a statutory interagency committee, the National Advisory Council on International Monetary and Financial Problems (NAC). NAC coordinates policies and operations of international financial institutions and policies of U.S. agencies respecting foreign loans, exchanges, and monetary transactions.

CIEP's predecessor was the Council on Foreign Economic Policy (CFEP), which was established by President Eisenhower in December 1954 to coordinate U.S. foreign economic policy in the executive branch. It was hoped that the Council would lead to

substantial reduction of standing and ad hoc coordinating mechanisms.³ The Council was abolished by President Kennedy in March 1961, when its functions were transferred to the Secretary of State. (This was part of a general policy of placing increased reliance on departments.) Kennedy's approach, also employed by President Johnson, and by President Nixon through 1970, stressed informality and flexibility in international economic policy coordination. Presidential Assistants, with a few staffers, sought to reconcile differences and provide advice. To an extent, creation of CIEP was to be as much a modest institutionalization and extension as it was an innovation.

In January 1963, the Office of the Special Representative for Trade Negotiations (STR) was established in the Executive Office to help handle interagency matters in the Kennedy Round of the General Agreement on Tariffs and Trade (GATT). Uncertainty and failure of agreement as to whether trade negotiations belonged under the State or Commerce Department contributed to the creation of this independent office.⁴

The situation in the 1965–1968 period has been described by the former Assistant Secretary of State for Economic Affairs as follows: "The interagency machinery for making foreign economic policy . . . had little logic. It had grown like Topsy over the years, with periodic amputation of dead limbs and new limbs grafted on as replacements from time to time. It was ambulatory; it did work, but the structure never achieved harmony or logic."⁵ Solomon lists several interdepartmental mechanisms then involved in coordination of international economic policy by or pursuant to statute: NAC, the Trade Policy Committee, the Export Expansion Advisory Committee, and the Economic Defense Advisory Committee, and by executive order or otherwise: the Cabinet Committee on the Balance of Payments, the Deming Group (later to become the Volcker Group, and, in turn, the Bennett Group, as described below).

One observer has concluded that coordination of policy by a lead agency, such as State, did not prove a viable alternative, and that this failure "led many to think that all coordination had to be imposed from above—from the Executive Office."⁶ This became inevitable since State could not afford to let Treasury or Commerce do the job.

In August 1970, perceiving the need for better

³*Overseas Economic Operations*, Commission on Organization of the Executive Branch of the Government (Washington, D.C. U.S. Government Printing Office, June 1955), p. 8.

⁴Anthony M. Solomon, "Administration of a Multipurpose Economic Diplomacy," *Public Administration Review*, Vol. XXIX, No. 6, November/December 1969, p. 590.

⁵*Ibid.*, p. 588.

⁶Don K. Price, "Reflections and Comments," *Public Administration Review*, Vol. XXIX, No. 6, November/December 1969, p. 611.

²*International Economic Report of the President*, (Washington, D.C.: U.S. Government Printing Office, February 1974), p. 1.

coordination, the Advisory Council on Executive Organization (Ash Council) recommended creation of what was to become CIEP. Using the National Security Council (NSC) as a prototype interagency policy formulating mechanism, the Ash Council also recommended establishment of the Domestic Council. According to later testimony of Roy Ash, consideration was given to locating CIEP in the NSC, the Council of Economic Advisers (CEA), the Office of Management and Budget (OMB), and the Departments of State, Treasury, or Commerce.⁷ The Ash Council's ultimate recommendation was the establishment of a separate Office of Economic Policy within the White House, with CIEP and STR as subordinate components.

This belief in the need for enhanced White House attention to international economic issues coincided with the administration's approach generally, which was "to . . . strengthen . . . decisional processes on important cross-cutting issues . . . through the creation of White House councils."⁸ The reason that NSC served as a model for a separate CIEP rather than assuming its functions may have been NSC's inactivity in economic matters: "While, technically, economic affairs were at one time considered within the NSC purview, lack of involvement on the part of NSC leadership was one of the causal factors leading to creation" of CIEP.⁹

An alternative to the Ash Council approach was available to President Nixon. In March 1970, the Peterson Task Force had recommended Executive Office coordinating machinery for international development matters only.¹⁰ An International Development Council attached organizationally to the White House would have coordinated international development activities so as to relate them to U.S. foreign policy. The Secretaries of State and Treasury would have retained primacy in their respective areas of interest. There was to be a delay of many months before any action was taken by the President on this report.

⁷Hearing before the Subcommittee on International Trade of the Committee on Banking and Currency, House of Representatives, 93rd Congress, First Session, on H.R. 7687, May 16, 1973, p. 28. This document gives only a summary retrospective. The Ash Council's memorandum to the President (August 17, 1970), marked "Administratively Confidential," contains the details. Its Appendix V contains a summary of past attempts to coordinate foreign economic policy; Appendix X tabulates governmental units involved in such policy as of July 1969.

⁸*Foreign Policy Decision Making: The New Dimensions*, A Report of a National Policy Panel established by the United Nations Association of the United States of America, undated, p. 41.

⁹*Ibid.*, p. 40.

¹⁰*U.S. Foreign Assistance in the 1970's: A New Approach*, Report to the President from the Task Force on International Development (Washington, D.C.: U.S. Government Printing Office, March 4, 1970). See also the case study by Leland Barrows, prepared for this series, which deals specifically with the Peterson Task Force.

OBJECTIVES, INITIATIVES, AND RESPONSES

Executive Initiative: 1971. On January 19, 1971, President Nixon established CIEP by memorandum. He did not create a separate Office nor seek to combine CIEP and STR, as recommended by the Ash Council. CIEP's objectives were to: achieve consistency between domestic and foreign economic policy, provide a clear top-level focus for the full range of international economic policy issues, deal with international economic policies (including trade, investment, balance of payments, and finance) as a coherent whole, consider international economic aspects of essentially foreign policy issues (e.g., aid and defense) under the general policy guidance of NSC, and maintain close coordination with basic foreign policy objectives. The memorandum illustrated the duties of CIEP's Executive Director as including development of the agenda for CIEP meetings, assistance in formulation of directions, strategies, and relationships, and development of a work program. It also called for establishment of an Operations Group, to be chaired by the State Department, to follow up on decisions reached, coordinate government actions, and review operational problems caused by other governments or international economic developments. The memorandum stated: "To the extent practical the Council shall bring within its structure those existing committees or groups presently dealing within the scope of the Council's work . . ." ¹¹

In his remarks, President Nixon indicated that the State Department had the "primary responsibility" (the Secretary of State was identified as Vice Chairman), with the President as Chairman "just as I serve as Chairman of the National Security Council and the Domestic Council." ¹²

The announcement of CIEP's establishment and appointment of its Executive Director stated: "More than 60 other units and coordinating bodies throughout the executive branch have responsibility for certain limited portions of foreign economic policy. Presently, no single high-level body holds the responsibility for the development of international economic policy and its relations to domestic economic policy. The Council will have this responsibility." ¹³ To this extent, the President concurred in the Ash Council's aversion to multiplicity and support of organizational neatness, although neither documented the specific problems caused by dispersion or the precise manner in which coordinated centralization would ameliorate them.

¹¹*Weekly Compilation of Presidential Documents*, Monday, January 25, 1971, Vol. 7, no. 4, p. 80.

¹²*Ibid.*, p. 79.

¹³*Ibid.*, p. 80.

An important point was then made by the President: "Where the Council's responsibility overlaps with that of the National Security Council, as in the case of foreign aid, which has implications for both national security policy and economic policy, (the CIEP) will operate within the general framework of national security policy developed by the NSC." ¹⁴

CIEP members were identified in the memorandum as the Secretaries of State, Treasury, Agriculture, Commerce, and Labor, the Director of OMB, the Chairman of the CEA, the Assistant to the President for National Security Affairs, the Executive Director of the Domestic Council, and the STR. Thus the latter's office was not to be subsumed, as recommended by the Ash Council.

Peter G. Peterson was named Executive Director and Assistant to the President for International Economic Affairs. His first major tasks were to determine issue areas, consider alternative approaches, and decide on CIEP's general method of operations (i.e., whether to "farm out" work in the NSC-style or to develop an in-house capability). Unfortunately, he was unfamiliar with the inner workings of the federal bureaucracy and, in truth, was not an expert in international economics. These problems were augmented by an apparent indecision on the President's part as to exactly what he expected from CIEP or what he should call upon it to do. Peterson's first major assignment from the President was to undertake an overall assessment of the U.S. situation.

CIEP's objectives thus were defined in general terms, partly because the problems it was to address were perceived imprecisely. The President might have realized that his decision to avoid basic reorganization by creating CIEP was likely to place an undue burden on CIEP, especially since he did not designate a lead agency in terms of authority within CIEP.

Executive Request for Statutory Base and Congressional Response: 1972. Within six months (on July 15, 1971), OMB submitted draft legislation for a statutory base. CIEP had been operating with borrowed staff and without an Executive Order (it never did obtain the latter). OMB's request was open-ended, seeking authorization of necessary sums and appropriate staff authority. CIEP has described the origins of this request for a statutory base as follows:

"The Presidential Commission on International Trade and Investment Policy (Williams Commission) strongly recommended that the CIEP be given permanent status and sufficient funding through legislative action." ¹⁵

¹⁴Ibid.

¹⁵*International Economic Report of the President*, (Washington, D.C.: U.S. Government Printing Office, March 1973), Appendix A., p. 74.

Another factor arguing for a statutory base was the one-year lifespan to which agencies created by executive order are limited by the Russell rider.

Congress did not move until the next year. Thomas Ashley, Chairman of the House Subcommittee on International Trade of the Committee on Banking and Currency, introduced H.R. 14412 on April 17, 1972, and hearings were held on May 31, 1972. Peterson, who had been replaced as Executive Director on February 29, 1972 by Peter M. Flanigan (some would suggest Peterson was moved to the post of Commerce Secretary just when he began to show progress at CIEP), presented the administration's views. He was joined by Frank Carlucci, Associate Director of OMB. Basic issues centered around confirmation of the Executive Director (the administration was opposed), inclusion of an annual report (opposed), authorizations (the administration did not want limitations on funding or time), and makeup of CIEP membership (the administration wanted deletion of the Chairman of the Federal Reserve Board and addition of the Secretary of Defense).

Ashley expressed concern that the combined effect of the administration's proposals would "deliberately and clearly seek to bypass the Congress" ¹⁶ through multi-year authorizations, lack of an annual report, and opposition to Senate confirmation of the Executive Director.

The Senate Committee on Foreign Relations heard S. 3726 on July 19, 1972, after the Senate Committee on Banking, Housing and Urban Affairs had reported favorably on June 19, 1972. Carlucci again opposed requiring Senate confirmation of the Executive Director but reported that the administration was no longer opposed to supplying an annual report. He indicated that a two-year authorization would be acceptable. The only new issue of consequence which arose concerned the relationship of executive privilege to appearance by the Executive Director to testify. Carlucci argued that keeping Congressional committees currently informed was the President's responsibility, not the Executive Director's.

Clientele and interest group appearances were minimal, with the International Economic Policy Association and the National Association of Secondary Material Industries, Inc., appearing in support of a statutory base.

On August 29, 1972, P.L. 92-412 was enacted as the International Economic Policy Act of 1972. Its purpose was "to provide for closer Federal interagency coordination in the development of a more

¹⁶Hearing before the Subcommittee on International Trade of the Committee on Banking and Currency, House of Representatives, 92nd Congress, Second Session, on H.R. 14412, May 31, 1972, p. 35.

rational and orderly international economic policy" (Section 202). In Section 203, Congress found that "there are many activities undertaken by various departments, agencies, and instrumentalities of the Federal Government which, in the aggregate, constitute the domestic and international economic policy of the United States. The Congress further finds that the objectives of the United States with respect to a sound and purposeful international economic policy can be better accomplished through the closer coordination of (1) domestic and foreign economic activity, and (2) in particular, that economic behavior which, taken together, constitutes United States international economic policy." Section 204 created CIEP in the Executive Office of the President. Section 205 modified the membership as follows: the Secretary of Defense was added; the Assistant to the President for National Security Affairs and the Executive Director of the Domestic Council were removed.

CIEP's duties, as listed in Section 206 of P.L. 92-412, while similar in some respects to those outlined in the President's memorandum and accompanying documents of January 19, 1971, were extended to collection, analysis, evaluation of specified information, development of recommendations based thereon, and preparation of an International Economic Report (Section 207). Policy proposals were to be developed with a view toward:

- strengthening the U.S. competitive position in world trade,
- achieving equilibrium in international payment accounts,
- increasing exports of goods and services,
- protecting and improving the earnings of foreign investments consonant with the concepts of tax equity and the need for domestic investment,
- achieving freedom of movement of people, goods, capital, information and technology on a reciprocal and worldwide basis,
- increasing real employment and income of workers and consumers, and
- preserving the diversified industrial base of the U.S.

Section 208 provided for an Executive Director, at Level II of the Executive Schedule, who was to keep Congressional committees "fully and currently informed regarding the activities of the Council." He was authorized, with Council approval, to appoint and fix compensation for such staff as he deemed necessary, including one officer at Level IV and two at Level V, and was given authority to accept on detail (on a reimbursable basis) personnel from other agencies. Expiration was set for June 30, 1973, and \$1.4 million was authorized for appropriation in fiscal 1973.

Thus both sides achieved partial objectives on membership, Congress prevailed as to one-year au-

thorizations and inclusion of an annual report, and the administration won out on the confirmation issue, although the Executive Director was required to keep Congress informed of activities.

Executive Request for Amendments to Statutory Base and Congressional Response: 1973. As happens frequently in the formative years of an agency, those involved in CIEP's activities sensed the need for additional modifications, even before the 1972 changes had been digested. The administration's amendments were transmitted by OMB on April 17, 1973, with a covering letter indicating that, by executive action, the STR would be merged with CIEP after legislative action on the amendments. The Senate Subcommittee on International Finance of the Committee on Banking, Housing and Urban Affairs conducted its hearings on May 14-15, 1973 (S. 1636).

Requested amendments dealt with indefinite authorization of appropriations and with removing the President as Chairman and substituting a member of the Council. The President indicated that his replacement would be George Shultz, Secretary of the Treasury, Assistant to the President, and Chairman of the Council on Economic Policy (CEP), which had been established by the President on February 2, 1973; its relationship with CIEP is described below. Major issues arising during 1973 amendment hearings were the proposed merger of STR and CIEP and whether CIEP should be continued in any form in view of the existence of CEP.

The purpose of CEP was to serve as the "focal point and coordinator for all economic policy within the Executive Branch . . . The new structure provides the President with a management instrument intended to function through high-level work groups. Rather than develop a staff of its own, the CEP will receive staff support from . . . working groups . . . or from the respective agencies." ¹⁷ Shultz, on May 11, 1973, had written to Senator Adlai Stevenson: "[I] look to the CIEP as the international arm of the CEP . . . I find no redundancy between the two organizations." ¹⁸ Again, on May 15, 1973, in response to a request from Stevenson, Shultz made the following points: CEP, with a staff of only three, has to depend on CIEP; chairmanship of both CEP and CIEP by him made sense; NAC has a narrow interest and provides input to CIEP, which in turn provides input to CEP; the CIEP/STR merger was needed to end duplication, and, if merged, career staff of STR would retain civil service status. ¹⁹

On the merger issue, Flanigan stated: "This

¹⁷"International Economic Report . . .," 1973, p. 74.

¹⁸Hearings before the Subcommittee on International Finance of the Committee on Banking, Housing and Urban Affairs, United States Senate, 93rd Congress, First Session, on S. 1636, May 14-15, 1973, p. 2.

¹⁹*Ibid.*, pp. 72-74.

would deal with the anomaly of two separate organizations with responsibility for international trade in the Executive Office of the President and would resolve resulting confusion that exists in the minds of many Members of Congress, the public, and officials abroad . . . Under this reorganization, the STR's guidance will continue to come from the President through the CIEP and its Executive Director." ²⁰ Flanigan pointed out that the STR staff would be under him but would act as the trade arm of CIEP. (It should be recalled that both the Ash Council and the Williams Commission had envisioned such a merger.) Flanigan asked that the STR be made a Deputy Director of Trade of CIEP, with the objective of lessening duplication of staff work.

William D. Eberle, STR, explained that his Office would be abolished and become an identifiable part of CIEP for trade matters. Peterson, as Personal Representative of the President, supported the merger. During questioning, he acknowledged that CIEP's involvement in trade had been paramount, while monetary and investment issues had received insufficient attention. He stated: "I think now that the trade bill [has been] presented, you will see [CIEP] devote a good deal more time to investment issues." ²¹

Representatives of the National Council of Farmer Cooperatives and the National Grange endorsed a permanent CIEP and opposed merger. Merger was supported by the Emergency Committee for American Trade. W. Michael Blumenthal of the Bendix Corporation also opposed, on grounds that merger would weaken STR in foreign dealings, blur policy and negotiations matters (Peterson had testified that it would not), and would insulate Congress (since the Executive Director of CIEP, unlike the STR, was not subject to confirmation).

The principal witness in opposition to CIEP was C. Fred Bergsten, of the Brookings Institution, who had been NSC's international economic affairs expert from 1969-71. He argued that previous vacuums at both coordinating and operating levels for trade policy which had led to CIEP's creation were special conditions which no longer existed, now that Shultz was in charge of economic affairs and STR had been rejuvenated.²² To Bergsten, continued existence of CIEP would be redundant and anomalous and would further downgrade STR. The main thrust of his argument was: "The CIEP effort has demonstrated once more [that] powerful forces inherently pull the locus of decision making back to where real power lies: with those who manage the domestic economy, those who manage overall foreign policy, and ultimately the President himself. There is little room for real power to reside

in [an intermediary] standing somewhere among those real poles of power, and the CIEP experience has provided fresh evidence thereof." ²³

After delivering this harsh indictment of CIEP, Bergsten stated that a President should be allowed to organize his own mechanisms, and, if the incumbent wanted a CIEP, he should be permitted to have it, but with the Executive Director subject to Senate confirmation. He added: "But this respect for Presidential prerogative also recommends against any authorization for CIEP running beyond the incumbency of the present administration." ²⁴ He concluded by observing that personalities usually dominate organizational charts, and neither the President nor Congress should overemphasize the importance of decisions as to structure.

Senator Stevenson stated that "in the name of coordination the Government has agencies such as NAC, CIEP, and NSC, all . . . intended to bring advice to bear on the President, all of them interposing new layers of bureaucracy between the President and the Departments, in this case the State Department, many of them overlapping, duplicating to some extent the functions of others." ²⁵

Ashley's Subcommittee heard H.R. 7687, the companion House bill, on May 16, 1973. Ashley echoed Bergsten to the effect that "each President needs the flexibility to create machinery of his own fashion for handling international economic policy." ²⁶ Consequently, he supported an extension of CIEP to June 30, 1977, but with annual appropriation authorizations. Flanigan testified that CIEP had participated at every stage of the 1971 monetary crisis and had led the effort to formulate the Trade Reform Act of 1973. All who commented seemed to believe that the annual report had turned out to be fruitful. On the question of CIEP/STR merger, concern was expressed over the fact that a CIEP member, subject to Senate confirmation (the STR), would be receiving instructions from a staff person (CIEP's Executive Director) who was neither a member of the Council nor subject to confirmation.²⁷

The Senate Committee on Foreign Relations heard S. 1636 on June 5, 1973. Flanigan was questioned closely on the merger issue. William R. Pearce, Deputy STR, appeared in support of the merger, although his response to one question was revealing of STR's lack of enthusiasm: "I represent the administration. This issue, like many issues in government, all that involve changes in bureaucracy, was the subject of considerable discussion and

²⁰Ibid., p. 9.

²¹Ibid., p. 51.

²²Ibid., p. 28.

²³Ibid., p. 29.

²⁴Ibid., p. 30.

²⁵Ibid., p. 53.

²⁶Hearing . . . (on H.R. 7687), p. 2.

²⁷Under authority provided in the CIEP act, the President later made the Executive Director a member of the Council.

differing views. The decision was reached, however, that this arrangement would serve our purposes and, as a representative of the administration, I support that view."²⁸

P.L. 93-121, containing the amendments to CIEP's organic act, passed on October 4, 1973. The President was removed from membership; the Secretary of the Department of Transportation was added; CIEP's life was extended to June 30, 1977; a 1974 appropriation of \$1.4 million was authorized, and Section 208(a) was amended to require that any future Executive Director appointed after the date of the bill be subject to Senate confirmation. CIEP/STR were not merged.

The annual report henceforth was to include additional coverage, e.g., comparative analyses of principal countries with respect to research and development, industrial and agricultural productivity trends, investment patterns, long-range economic planning and exports.

Trouble in the House: 1974. One development of potential significance occurred on the House floor on June 13, 1974. By a vote of 175 in favor, 168 opposed, and 90 not voting, CIEP's fiscal 1974-75 authorization of \$1.8 million passed. The main charge of House opponents was that CIEP duplicated the work of other agencies, and some members urged its abolition and transfer of its functions to CEA.²⁹ The measure passed the Senate by voice vote, and P.L. 93-315 was approved on June 22, 1974 for a one-year extension and the \$1.8 million requested.

OUTCOMES AND FACTORS RESPONSIBLE

Introductory Note on CIEP's Structure, Staffing, and Activity Areas. Before turning to analysis of the outcomes of CIEP's evolution and the factors responsible for those outcomes, it would be appropriate to outline the administrative organization of CIEP and to present a general picture of its areas of activity to date.

In testimony before the Subcommittee on Treasury, U.S. Postal Service and General Government of the Senate Appropriations Committee (May 29, 1974), Flanigan described CIEP as "small and 'tight-ship'"³⁰ with only 23 professional staff positions (see chart). He added that ten of the 23 were on detail from other agencies. According to the

²⁸Hearing before the Committee on Foreign Relations, United States Senate, 93rd Congress, First Session, on S. 1636, June 5, 1973, p. 28.

²⁹*Congressional Record*, Vol. 120, No. 86, June 13, 1974, pp. H5105-5110.

³⁰"Mimeographed Statement," p. 3.

1974 report, the supporting staff includes a Secretariat of five, plus 16 who provided administrative assistance.³¹

In addition to organizing and staffing, the major accomplishment of calendar 1971 was preparation by Peterson of *The United States in the Changing World Economy*, referred to often as CIEP's first annual report.

Areas of interest and activity during 1972 included: trade issues with the USSR, Eastern Europe, and Japan; controls on exports to Communist countries; preparation of policy options on trade, investment, and monetary matters; nationalization of US assets abroad, and examination of multi-national corporations.³²

CIEP's accounting of its activities during 1973 highlighted its major roles in the Trade Reform Act, studies of investment policy, and the international economic aspects of the oil embargo and price increases. CIEP also was involved in expropriations, technology transfer, export controls and promotion, and policies toward developing nations.³³

It should be emphasized that these accounts are CIEP's view of its activities during 1972 and 1973. The natural tendency of an institution to overstate accomplishments must be recognized.

General Assessment. In assessing CIEP's record of accomplishments, certain constraining factors should be considered. In less than precise terms, CIEP was assigned the difficult and delicate task of coordinating policy and of orchestrating the inputs of numerous, often squabbling agencies whose relative power varied both with the specific issue at hand and with the particular agency principals involved at the time the issue arose; its responsibilities for developing, as opposed to coordinating, policy were not made explicit. It was instructed to recede in favor of NSC in cases of overlap; and it has had to adjust to the reality that two of its members, State and Treasury, are in a real sense "more equal" than the others, at least in the field of international economic affairs. These conditioning circumstances may be viewed by some as handicaps which should have been overcome and by others as beyond the power of CIEP to rectify.

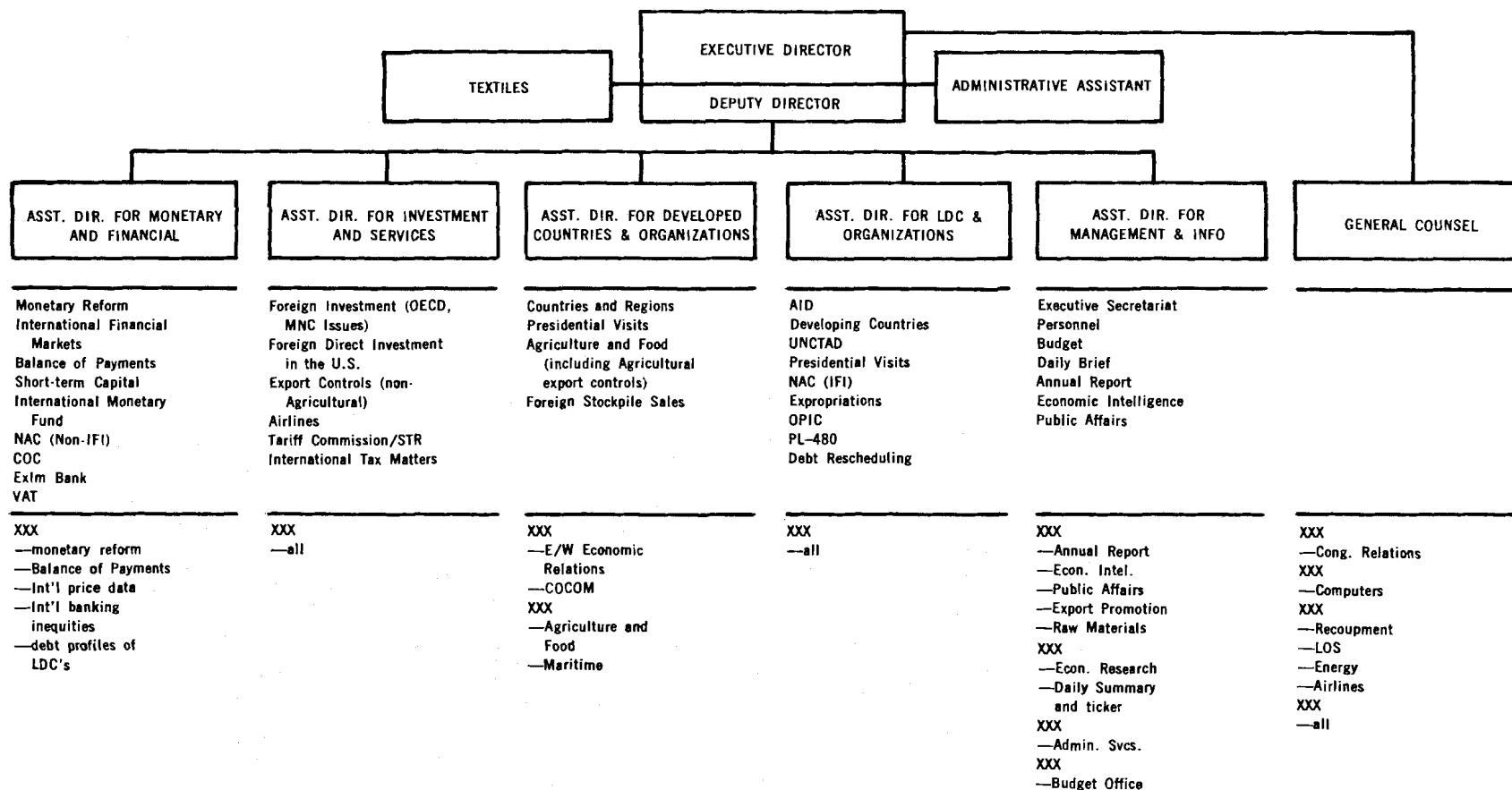
CIEP started slowly for the reasons mentioned above, i.e. Peterson's inexperience and the President's uncertainty as to how he wanted to use CIEP. Its 1971 record of accomplishment is slim, although Peterson, as Presidential advisor and CIEP staff head (distinguishing between the two roles would

³¹"International Economic Report . . . , 1974," Appendix A, pp. 85-86.

³²"International Economic Report . . . , 1973," Appendix A, p. 75.

³³"International Economic Report . . . , 1974," Appendix A, p. 85.

CHART 1.—COUNCIL ON INTERNATIONAL ECONOMIC POLICY



XXX—one professional staffer

be futile), helped convince the President of the urgency of trade and monetary reforms.

A review of the written record and interviews conducted for this case study support the thesis that CIEP since 1972 has provided a useful forum and has been more than just another layer of bureaucracy. This is not to suggest that CIEP has lived up to the rhetoric with which it was launched nor that an alternative model would not have been equally effective nor that CIEP has proved uniformly successful in its four major areas of interest—trade, monetary affairs, investment, and development. The judgment certainly does not imply that CIEP has “approached anything like the influence in its sphere that the NSC system has attained in its sphere.”³⁴

Conceding Bergsten’s point that real and ultimate power resides elsewhere, CIEP has been able to assemble and apply leverage and a degree of leadership on certain occasions, especially when the ultimate power-holders did not resist in an all-out manner. It helped to force agency cooperation on the exchange rate issue; it played a major role in hammering out necessary compromises in the Trade Reform Act, and it has served to help educate Congress on the intricacies of international economics. When it has failed to achieve consensus, CIEP has served as a channel to the President for such unreconciled views.

It has been charged that international economic policy is “quietly atrophying” and that “The weakness of the policy-making apparatus reflects the indifference of both Kissinger and President Nixon to the whole subject. International economic policy is truly a stepchild of the Nixon Administration.”³⁵ Although this criticism has been voiced by others and was the view of some interviewed, it should be kept in mind that CIEP’s main function is the *coordination* of international economic policy, that its responsibilities for the *development* of such policy is less clear,³⁶ and that CIEP is not charged with establishing the priority of its field of interest vis-à-vis other policy realms.

Congressional/Executive Office Relations. The first point to be examined here is the impact of CIEP’s decision to seek a statutory base less than six months after it was created by Presidential memo-

³⁴“Foreign Policy Decision Making: The New Dimensions,” op. cit., p. 43.

³⁵*Business Week*, June 15, 1974, p. 116. This was in the form of an editorial.

³⁶While the President’s announcement of January 19, 1971, indicated that CIEP would be responsible for the development of policy (his memorandum did not), P.L. 92-412 is less clear. Section 203 (c) (ii) charges CIEP with making “appropriate findings and recommendations for the purpose of assisting in the development of . . . international economic policy . . .”; Section 206 (6) calls upon CIEP to “[m]ake recommendations to the President for domestic and foreign programs which will promote a more consistent international economic policy . . .”

randum. While the relatively permanent status and separate funding thus obtained have been advantageous to the executive branch, that step, once taken, opened the way to Congressional influence and a degree of control. Subsequent CIEP Executive Directors now are subject to Senate confirmation; Congress has never granted more than one year’s funding; Congress got the annual report it wished (and then expanded its required coverage), and CIEP membership has been modified. The intent of Congress has been to force the administration to return each year so that cognizant committees could review CIEP’s accomplishments.³⁷

The requirement of Section 208 of that statutory base—that Congress be kept “fully and currently informed” by CIEP’s Executive Director (a similar phrase can be found in the Atomic Energy Act)—is, at least potentially, a significant point of access and influence for Congress. It is unlikely that a President would rely intimately on an agency whose staff head is so subject to Congress.³⁸

The various hearings on amendments and extensions to CIEP’s organic act showed, at several junctures, that legislators were satisfied with the willingness and availability of Peterson and Flanigan to appear and testify. The record does not indicate that the thorny issue of executive privilege (CIEP’s Executive Directors also have been Assistants to the President) has caused difficulties in either the provision of written information or in testimony. Congress has been pleased with the information made available in the annual reports.

Any evaluation of Congressional/Executive Office relations in foreign economic policy matters must take cognizance of the fact that the Congress is not organizationally prepared to play a maximum role. Its committees compete for pieces of jurisdiction, and CIEP and other elements involved in international economic policy must deal with this reality as best they can.

Another fundamental issue involved in inter-branch relations concerns the differing styles of the Nixon and Johnson administrations on what might be called administrative principles. NAC, which started with a statutory base, was abolished in that form by Reorganization Plan No. 4 of 1965, and re-established by Executive Order.³⁹ CIEP went the

³⁷*Congressional Record*, op. cit., p. H5105 (see comments of Ashley).

³⁸Section 208 (a) of P.L. 92-412 as amended requires CIEP’s Executive Director to keep the following committees “fully and currently informed” regarding CIEP’s activities: Committee on Banking, Housing and Urban Affairs of the Senate, Committee on Banking and Currency of the House, Committee on Foreign Relations of the Senate, Committee on Foreign Affairs of the House, Committee on Finance of the Senate, Committee on Ways and Means of the House, and Joint Economic Committee.

³⁹“Reorganization of the National Advisory Council on International Monetary and Financial Problems: Conflict Within the Executive Branch,” in *Reorganization by Presidential Plan: Three Case*

reverse route, contrary to the principle of the First Hoover Commission that Congress should not establish "by legislation the precise functions and membership of coordinating and advisory bodies within the executive branch."⁴⁰ This orthodox view has come under question by Don K. Price, among others, in part because Presidents Truman and Kennedy "showed that a President could use a statutory committee as he saw fit, or not at all."⁴¹ Because the Nixon administration did decide to use CIEP, Congress has involved itself substantially in CIEP's work.

Member Relations and Policy Components. Perhaps CIEP's most significant impact on interagency relations has been that all member agencies, not just State, Treasury, and NSC, have been afforded the opportunity to be heard and to exert influence on international economic matters. As stated in one interview, CIEP has "enabled Commerce, Agriculture, and Labor to confront State and Treasury." CIEP's ability to coordinate in a low-key manner must have been tested severely during the formulation of the Trade Reform Act, especially since virtually every CIEP member had a direct (and at times conflicting) interest in the outcome.

Member relations ebb and flow depending in large part on the policy component involved—trade, monetary affairs, investment, and development. The most obvious conflict with respect to trade stems from the "anomaly of two separate organizations with responsibility for international trade in the Executive Office."⁴² The anomaly may not be as real as some feel, however, since a division can be made between coordination of policy (CIEP) and the conduct of operations in the form of negotiations per se (STR). In any event, two new elements have entered the picture: (1) the resignation (June 1974) of Flanigan and his replacement by Eberle, who is to continue as STR; and (2) the anticipation that, with passage of the Trade Reform Act in the next several months, STR's attention will shift from lobbying in Congress to negotiating under GATT.

The activities reported in CIEP's two annual reports indicate that CIEP has been involved more in trade than in the other components, notwithstanding the existence of STR. Commerce and State remain directly interested in the trade component of CIEP's work.

In international monetary affairs, the Bennett

Studies, National Academy of Public Administration (Washington, D.C., April, 1971).

⁴⁰Harvey H. Bundy and James G. Rogers, "The Organization of the Government for the Conduct of Foreign Affairs," *The Commission on the Organization of the Executive Branch of the Government* (Washington, D.C.: U.S. Government Printing Office, January 1949), p. 11.

⁴¹Price, op. cit., p. 611.

⁴²Hearing . . . (on S. 1636), p. 9.

(formerly Volcker) Group specifically and Treasury generally are the most influential actors. (The Bennett Group is comprised of the Treasury, Undersecretary for Monetary Affairs, representatives from State, CEP, CEA, the Federal Reserve System, and CIEP.) Those interviewed were unanimous in their view that CIEP has had to "steer clear" of Treasury on certain monetary matters and that in a show-down CIEP collectively, and its members individually, would not oppose Treasury. This, however, did not prevent CIEP from assuming a role in the exchange rate issue, apparently because Treasury desired other inputs.

Unlike in monetary matters, no lead agency exists in investment. This confused and complex field thus presents a challenge to CIEP. CIEP has involved itself in the expropriations issue and in formulation of a policy for foreign investment in the U.S. Yet, until international agreements can be reached over policy toward multinational corporations and until related domestic economic considerations are accommodated, CIEP's accomplishments will remain modest in investment matters.

The last functional area, development, has received the least priority and attention by CIEP. Some interviewed suggested that this was the result of the Nixon administration's general disinterest in development not tied directly to foreign policy. State and Treasury are the major agencies involved. Although CIEP's work programs have included development, the failure of State and Treasury to agree on approach (State and AID prefer bilateral, Treasury prefers more multilateral, programs) has precluded meaningful progress.

This evaluation by function, based on the record and on interviews, is supported in general terms by another source: "While [CIEP's] official responsibilities extend over the full range of foreign economic policy issues, in fact the CIEP mechanism seems to have dealt more with trade than with monetary matters, and only very little with economic development."⁴³

Coordinating the Coordinators. CIEP was designed, in part, to serve as a coordinator of coordinators. Its relationships with the STR have been discussed at some length above, but three other coordinating mechanisms and their interplay with CIEP warrant special attention. These are the NAC, CEP, and NSC. NAC has the most limited and particularized responsibilities. Treasury is the lead member of NAC, and the other members are State, Commerce, the Federal Reserve System, and the Export-Import Bank. CIEP is a participant at the three meeting levels (principals, alternates, and staff).

There is some evidence that CIEP has influenced NAC's operations directly. By agreement between the two organizations NAC does not take action

⁴³*Foreign Policy Decision Making: The New Dimensions*, p. 29.

with respect to proposed credits for specified countries without consideration of the action by CIEP. It was reported in one interview that, when Treasury sought to expand NAC's role in policy matters, CIEP resisted. But the potential for conflict between the two does exist: "[G]iven the broad legislative mandate of the CIEP, the need for greater clarification of the responsibilities of [NAC and CIEP] may become an issue in the future." ⁴⁴

CEP should be of special interest to those concerned with organizational matters. It was created by Presidential memorandum in February, 1973 to coordinate all economic policy in the executive branch. In addition to Shultz as chairman in his capacity as Assistant to the President, its members were the Secretaries of State, Treasury, Agriculture, Labor, and Transportation, the Director of OMB, the Chairman of CEA, the Director of the Cost of Living Council, and the Executive Director of CIEP. If the Director of the Cost of Living Council is subtracted and the Secretary of Defense and the STR added, the result is the makeup of CIEP.

As with CIEP, CEP's origins may be traced to the Ash Council. Pursuant to that Council's recommendations, President Nixon's 1971 State of the Union Message indicated his intention to consolidate seven domestic executive departments into four "superdepartments," as they came to be called. One of the four was to be the Department of Economic Affairs. ⁴⁵ When this attempt faltered in Congress (for one reason, because committee jurisdictions would have been placed in disarray), the administration sought to accomplish many of the same results by executive action through elevation of certain departmental secretaries to more-than-equal status as "supersecretaries." Shultz was to serve this overarching function in economic affairs (as Treasury Secretary, Counselor to the President, and Chairman of CIEP, NAC, and the newly created CEP).

Contrary to Shultz' assurances to Senator Stevenson, ⁴⁶ others saw an eclipse of CIEP by CEP: "While the CIEP staff will still carry out specific assignments . . . it is expected that the new CEP will deal with the most important foreign economic policy issues . . . It is . . . understood that the CIEP will be subsumed within the new CEP." ⁴⁷

CEP has not achieved the levels of activity or the impact anticipated. It has met as a body approximately three or four times, once to discuss exports. Consequently, predictions that CIEP would be rele-

gated to a staff role, or that it would be subsumed by CEP, have proven inaccurate.

But this result has not been an unmixed blessing to CIEP, for, had CEP realized its potential, CIEP might have grown in influence along with it. This, of course, assumes the validity of Shultz' views on the relationships between CIEP and CEP. The two coordinating mechanisms could have been employed to attract the President's attention to international economic issues and to raise CEP (with CIEP benefiting indirectly) closer to the stature of the NSC.

CIEP's relations with the NSC have been influenced by the President's 1971 declaration that, in cases of overlap, CIEP was to recede. Other factors have favored NSC's relative superiority, e.g., President Nixon's greater interest in its field of activity, and the more dramatic coalescing pressures which NSC can bring to bear on an issue. These realities offset his attempt to lend CIEP a measure of co-equality through his statement that he would chair CIEP "just as I serve as Chairman of the National Security Council . . ." ⁴⁸ Thus Nixon's decision to ask Congress to remove him from that post on CIEP, and Congress's compliance, in effect downgraded CIEP vis-à-vis NSC. Also, although an NSC representative attends all CIEP meetings, this is not reciprocated.

Although a new agency usually faces a period of uncertainty during its initial weeks, CIEP was particularly disadvantaged. It has been observed that the memorandum creating CIEP suggested "the possibility that [CIEP] will be required to take NSC 'guidance' on finance, trade, investment and almost any other issue." ⁴⁹ And, since the President failed to provide funding for CIEP in the budget he recommended immediately following its creation, this omission was viewed as "another fact prompting speculation about [CIEP's] intended influence." ⁵⁰

The principal beneficiary of the existence of a CIEP and an NSC has been State, since it is the only lead member of CIEP with membership also on NSC.

Since questions of "turf" can arise among coordinating as well as among line agencies, one potential difficulty has to be guarded against; the several staff coordinating units will "have to learn to work in harmony within the close quarters of the White House, respecting each others' primary missions and jurisdictions." ⁵¹

Unfortunately, data could not be obtained on the pre- and post-CIEP count of lower-level working

⁴⁴ *The United States and the Multilateral Development Banks*, Congressional Research Service, Library of Congress (Washington, D.C.: U.S. Government Printing Office, March 1974), p. 105.

⁴⁵ See Alan L. Dean, "The Goals of Departmental Reorganization," in *The Bureaucrat*, Vol. 1, No. 1, Spring 1972.

⁴⁶ See footnotes 18 and 19.

⁴⁷ *Foreign Policy Decision Making: The New Dimensions*, pp. 30, 43.

⁴⁸ *Weekly Compilation*, op. cit., p. 79.

⁴⁹ *The Journal of Commerce*, Monday, February 22, 1971.

⁵⁰ *Ibid.*

⁵¹ "Foreign Policy Decision Making: The New Dimensions," op. cit., p. 70.

groups and coordinating mechanisms. Such information would have provided a test of the President's intention to reduce fragmentation (see footnote 11). Indications are that the count today is at least as high as it was in 1970.

Participation Hierarchy. The President's 1971 memorandum outlined the work division he envisioned for CIEP's components. An Operations Group would handle follow-up, coordination of government actions, and review of problems arising from actions of other governments or outstanding international economic developments; standing or special subcommittees might be created as needed. The Executive Director would develop agendas, a sense of direction, strategies, and would establish a work program.⁵²

The participation hierarchy within CIEP was influenced by the President's removal as chairman and his replacement by Shultz, by the subsequent creation but relative inactivity of CEP, and by the determination to maintain a small CIEP staff. One clue for determining participation levels is meeting frequency. Peterson's testimony on H.R. 14412 indicated that through May of 1972 the Senior Review Group (chaired by CIEP's Executive Director) had met nine times, and the Operations Group (chaired by the Under Secretary of State for Economic Affairs) had met six times. More detailed and updated information was supplied to the Senate Committee on Foreign Relations in connection with the hearing on S. 1636. A CIEP memorandum submitted to the Committee indicated the following meeting frequency through June 5, 1973: 5 full Council meetings, more than 10 Executive Committee meetings (Council less the President, chaired by the Treasury Secretary), more than 30 Senior Review Group meetings, and some 15 Operations Group meetings.⁵³

Information supplied by CIEP to the author indicates that through June 1974 the Executive Committee had met a total of 15 times and the Senior Review Group 47 times. The fact that department secretaries and agency heads met on 15 occasions from January 1971 through August 1974 suggests that top-level attention has been given to matters within CIEP's jurisdiction. This is at least implicit evidence that CIEP has been more than a body of professionals and stand-ins for Cabinet members. The precise judgment must be made with care, however, since actual attendance figures are not available and since those interviewed felt that CIEP is basically a staff-led operation due mainly to the heavy demands on the time of its principals.

Operational Involvement and Bureaucratic Expansion. There is evidence of a moderate degree of opera-

tional involvement by CIEP. This could have been anticipated, given the presence of over 20 professional staffers and the lack of policies discouraging such involvement. Those interviewed identified several cases of involvement in detailed operational matters, including negotiations with Japan over textile quotas, aspects of the expropriations issue, and attempts to help resolve the investments dispute with Peru.

This is not meant to imply that CIEP has been particularly aggressive or that it has moved into vacuums, as a general rule. What is being suggested is that a group of specialists has been available to undertake occasional assignments of an operational (as opposed to monitoring) nature and that contrary to the advice of Seidman (see footnote 1) they have not been discouraged from doing so.

In Congressional consideration, especially on the House floor, of what became P.L. 92-412, a major concern of many was fear that, once authorized and provided with a given level of funding and a statutory base, CIEP would begin immediately to expand its staff. This has not developed. At the close of calendar 1972, four months following enactment of P.L. 92-412, CIEP had 20 professional staff members; one year later, there were 23; the figure remained at 23 through June 1974; and the CIEP projection for fiscal 1975 entails an increase to 25. The appropriation authorization was held to \$1.4 million for fiscal 1973 and 1974, and, as mentioned above, the 1975 authorization, as passed, was for \$1.8 million.

Images—Clientele, Agency Style, Access to the President, and Reporting. The small number of interest group spokesmen who appeared before or communicated with involved Congressional committees during hearings in 1972 and 1973 suggests that CIEP has a clientele of very modest proportions. Conversely, it does not have many opponents, at least when measured by the same criterion. (It should be noted that many who did appear during the 1973 hearings were concerned solely or mainly with STR.)

There are two schools of thought on the acquisition by an interagency coordinating mechanism such as CIEP of its own clientele. One suggests that development of a clientele is beneficial, in part because that clientele acts as a source of evaluation and information to supplement governmental sources. The other argues that, since emphasis of a CIEP-type agency is on coordination and "honest brokering," clientele should not be cultivated but should be restricted to and represented through the constituent member agencies of the coordinating mechanism.

Blumenthal (who had served as Deputy STR from 1963-67), observed: "[I]n the private sector, people have barely heard of STR and they probably haven't heard of CIEP at all. I don't know of too

⁵²"Weekly Compilation . . .," op. cit., p. 80.

⁵³"Hearings . . .," (on S. 1636), op. cit., p. 39.

many senior corporate executives who would not consider this a very esoteric subject in which they have rather little interest." ⁵⁴ Those involved seem to have decided that the tasks of coordination, focus, reconciliation, and arbitration can be discharged more effectively through a posture of relative anonymity.

CIEP's relationship to President Nixon was set, presumably, when he indicated that the Executive Director would have "ready access" to him.⁵⁵ This ready access was more of a reality during the formative months of 1971 than during any subsequent period. But this is not necessarily a commentary on CIEP's significance. Nor would it be accurate to conclude that close interaction between President Nixon and CIEP's Executive Director would have persisted had Peterson remained in that post. One can postulate that it is normal for a President to pay initial attention to any agency he has created. Once the formative period is over and the crisis or conditions which led to his initiative subside, a President is likely to turn to other matters. Also, to the extent that President Nixon maintained an interest in CIEP's field of activity, he was able later to deal instead with Shultz and CEP as the more logical channel.

CIEP's annual report has served as a principal vehicle for drawing attention to the agency. Yet one must go to the title page, not the cover, to learn that it is the work of CIEP. These reports—two had been issued through August 1974—contain a wealth of narrative, statistical, and analytical information. They do not merely duplicate Chapter 5 of the CEA annual report, as some had suggested would be the case. During hearings on the 1973 amendments—which, as pointed out above, resulted in expanded coverage of the report—satisfaction was expressed by Congress that the report was proving a useful source of information.

THE EFFECTS AND RESPONSIBLE FACTORS

The essence of the CIEP case is presented below in terms of the intended effects, the actual effects, and the responsible factors.

What Effects Were Intended from the Creation of CIEP? The manifest objectives, as stated in President Nixon's memorandum establishing CIEP, are paraphrased as follows:

1. Achieve consistency between domestic and foreign economic policy,
2. Focus top-level attention simultaneously on the complete array of international economic issues,

⁵⁴Ibid., p. 65.

⁵⁵"Weekly Compilation . . .," op. cit., p. 80.

3. Treat all international economic policies as parts of a coherent whole,

4. Accord due weight to the economic aspects of foreign policy issues under guidance of NSC, and

5. Coordinate international economic objectives with basic foreign policy objectives.

The paramount objective behind the creation of CIEP was implicit: it was the Nixon-Ash approach to management, which had as its foundation the establishment of covers of one kind or another to bring real power and ultimate control into the White House. As stated in *Watergate: Implications for Responsible Government*:

"Among the institutions of government on which Watergate has focused attention, none stands out so much as the Presidency and those staff and staff organizations surrounding the Presidency. Perhaps most controversial has been the revelation, disclosed by Presidential assistants as the rationale for their actions, that the structure which was designed to provide the President with staff assistance and advice has been gradually fashioned into an instrument of centralized control. Much of this was done in the open, building vigorously upon trends in organization of the Presidency first noted over a decade ago, and pursued in the name of efficient, effective, and responsive government. Increasingly, access to the President was restricted. The principal officers of the executive departments and agencies and the leadership (both majority and minority) of the Congress encountered more and more difficulty in seeing him. Equally important, the free flow and competition of ideas and interests were cut off.

"What emerges is a picture of the centralization of power in the White House and the concomitant confusion of roles and responsibilities by placing operating authority in the hands of personal and advisory staff who make the key decisions but are shielded from public view and public access." ⁵⁶

What Effects Were Actually Experienced? In terms of its stated objectives, CIEP has not: (1) achieved consistency between domestic and foreign economic policy, (2) focused top level attention simultaneously on the complete array of international economic issues, (3) treated all international economic policies as parts of a coherent whole, (4) accorded due weight to the economic aspects of foreign policy issues under guidance of NSC, and (5) coordinated international economic objectives with basic foreign policy objectives. Nor has CIEP

⁵⁶Frederick C. Mosher and others, *Watergate: Implications for Responsible Government*, (New York: Basic Books, Inc., 1974), pp. 27-28.

proved able to attain the implicit objective of bringing real power and control over international economic policy into the White House, for reasons discussed below.

CIEP's accomplishments have been limited to two areas: trade and its contributions to the preparation of an annual International Economic Report. But with regard to trade, some informed observers maintain that CIEP did nothing other than to fulfill the functions of STR and that, in practice, CIEP spent an inordinate amount of time and effort arguing with STR over who was to do what.

In the areas of international economic policy other than trade—investment, balance of payments, and finance—CIEP contributed little or nothing. Development received the lowest priority and the least attention by CIEP. Some observers remarked that this, in part, was the result of the Nixon administration's general disinterest in the less developed nations.

CIEP now has been merged with STR, and the STR is the dominant figure in the merged institution. The CIEP staff has been reduced to two or three persons while the STR staff is increasing.

What Factors Were Responsible for Actual Effects? The fundamental factor responsible for CIEP's failure to carry out its mission is the nature of that mission, its unrealistic scope and great complexity. The mission statement is more an exercise of rhetoric and hyperbole than a realistic statement of purpose. It was impractical to expect any interagency coordinating mechanism to perform such a role under the existing circumstances.

CIEP was assigned, in vague terms, the difficult and delicate task of coordinating policy and of orchestrating the inputs of numerous, often squabbling agencies whose relative power varied both with the specific issue at hand and with the particular agency principals involved at the time the issue arose. Its responsibilities for forcing, as opposed to coordinating, policy were not explicit.

In international economic policy, real and ultimate power lies elsewhere. CIEP was instructed to recede in favor of NSC in cases of overlap. Two of its members, State and Treasury, are more equal than the others, and when they felt their interests threatened, they moved to exercise their power.

President Nixon, after creating CIEP, did little or nothing to provide the kind of support necessary to make it a center of power and control within the White House. When he stepped down as chairman of CIEP and appointed George Shultz to the position, it was a clear signal that he (Nixon) was downgrading the function. Shultz did not distinguish himself as chairman; CIEP continued to flounder under him.

The Executive Directors, with strong staff assistance, might have achieved more positive results

with CIEP, if they had been persons of unusual competence who had the complete support of the President and his senior adviser on foreign policy. But neither Peterson nor Flanigan, the first and second Executive Directors, respectively, had any experience in nor understanding of international economic policy. They proved unable to provide the kind of leadership or to obtain the top-level support required to make such a mechanism effective.

In the end, the failure of CIEP can be traced mainly to Nixon, the overblown charter and not knowing what he wanted of it or how to use it. It appears that *Business Week* (June 15, 1974) had appraised it correctly: "The weakness of the policy-making apparatus reflects the indifference of both Kissinger and President Nixon to the whole subject. International economic policy is truly a stepchild of the Nixon Administration".

CHRONOLOGY OF KEY EVENTS

December 1954	Council on Foreign Economic Policy established.
March 1961	Council on Foreign Economic Policy abolished.
January 1963	Office of the Special Representative for Trade Negotiations created (STR).
March 1970	Peterson Task Force recommends interagency mechanism for coordinating development (aid) aspects of international economic policy.
August 1970	Advisory Council on Executive Organization (Ash Council) recommends interagency mechanism for coordination of all aspects of international economic policy.
January 1971	Council on International Economic Policy (CIEP) established by Presidential memorandum; Peter G. Peterson named Executive Director.
July 1971	Office of Management and Budget requests statutory base for CIEP.
February 1972	Peter M. Flanigan replaces Peterson as CIEP Executive Director.
April-May 1972	Congressional Committees consider request for statutory base for CIEP.
August 1972	CIEP obtains statutory base (P.L. 92-412).
February 1973	Council on Economic Policy created by President.
April 1973	Office of Management and Budget requests amendments to CIEP's statutory base.
May-June 1973	Congressional Committees consider request for amendments to CIEP's statutory base.
October 1973	CIEP's statutory base amended (P.L. 93-121).
December 1973	Congress directs President to create Development Coordination Committee.
June 1974	House passes CIEP's fiscal 1974-75 authorization by 7 votes.
June 1974	Flanigan resigns as CIEP Executive Director.
July 1974	Senate confirms William D. Eberle (STR) as Flanigan's replacement.
July 1974	CIEP's fiscal 1974-75 authorization passes (P.L. 93-315).

The U.S. Ambassador as Coordinator and Manager: The Kennedy Administration Initiatives

by Erasmus H. Kloman

CHANGING ENVIRONMENT AFTER WORLD WAR II

The period from World War II to 1960 witnessed a succession of Presidential initiatives to fortify United States ambassadors as the men in charge of all U. S. governmental activities in the countries to which they were assigned. Before World War II, typical American missions abroad were relatively small and confined mostly to the diplomatic and consular staffs of the Department of State. Dramatic change occurred in the middle and late forties as the U. S. began to assume a vastly larger role in world affairs. The number of missions grew from 39 before the outbreak of war to 87 in 1960. During this period, many missions vaulted in size of complement and number of U. S. departments and agencies represented.

The difficulty of coordinating the activities of an overseas mission or, to put it differently, the difficulty of being an ambassador has always been largely a function of the quantity and variety of different interests represented both officially and unofficially in a given foreign country. The Class One posts, as they are classified by the State Department, are so designated because they are the places where the greatest number of U. S. interests converge, while the Class Four posts contain the least. The larger stations generally pose more exacting requirements for coordination and ambassadorial leadership than the smaller ones.¹

¹As of June, 1974, there were a total of 130 embassies in addition to nine missions to regional and international organizations. The average complement of the 23 Class One posts is now about 140 people, while the complement size drops off substantially in progression to the Class Four levels which average just over 20. The number of different agencies represented in a mission also tends to drop off from Class One to Class Four posts.

With the post World War II expansion of the U. S. role in world affairs, nearly all missions came to be multi-agency groupings in which the embassy staff was frequently a small part of the total mission complement. The task of an ambassador in coordinating all these activities, some of which involved conflicting interests, became increasingly demanding and difficult. The growth in the numbers of people and agencies created bureaucratic problems of waste, inefficiency, and, in some cases, mismanagement.

To a large extent, these problems stemmed from uncoordinated policy and program direction by the myriad of Washington headquarters offices in the many departments and agencies involved in foreign affairs. Failure to coordinate in Washington gave rise to internecine power struggles in the field. When ambassadors could not contain these conflicts within their missions, the conflicts were elevated back to Washington, often to the dismay of those, including the President, who might be called on to resolve them. Partly to minimize this kind of dispute and partly to increase the effectiveness of the U.S. Government abroad, Presidents Truman, Eisenhower, and Kennedy each issued directives advising ambassadors that they were empowered with full responsibility and authority to coordinate, guide, direct, and control the activities of other agencies and departments represented in their missions, with certain exceptions as noted below.

This case study is an examination of the impact of the Kennedy letter with respect to ambassadorial management of overseas missions and coordination of the policies and programs of agencies represented in these missions. It will survey the various efforts during the period of the Kennedy Presidency to back up the President's letter and to implement its directions in the field, assess the results,

and seek to draw lessons from the experience gained in the process.

THE TRUMAN AND EISENHOWER ORDERS

The series of Presidential directives calling for an expansion of the ambassadorial coordinating authority originated with an interagency memorandum of understanding between the Departments of State and Defense and the Economic Cooperation Administration (ECA) which came to be known as the Clay Paper, after General Lucius D. Clay, who played a leading role in the negotiation of the agreement.² This memorandum provided not only for new measures of interdepartmental coordination in Washington with respect to European production and economic aid programs but also for the working out of corresponding arrangements in the field. Specifically, the ambassador, the chief of the Military Assistance Group (MAAG), and the ECA mission chief were to "constitute a team under the leadership of the Ambassador".

Although the Clay Paper spoke of a "team" at the country level, it was a supplement to the Paper on the defense production function which first brought into use the actual term "country team".³ The use of the country team concept spread rapidly through U. S. missions in western and southern Europe. Whether to use the country team mechanism and the precise constitution of the team at a specific post was (and has remained) a matter for decision by the individual ambassador.

A formal Presidential order instructing ambassadors to coordinate the activities of United States economic missions, military assistance advisory groups, and other representatives of U. S. agencies was issued by President Truman in April, 1952.⁴ This order sought to bring to an end the contention which previously had existed because of the relative autonomy enjoyed by both foreign economic and military aid officials.

More than a decade later, the ambassador's coordinating role was further expanded by an order of President Eisenhower enlarging the chief of mission role "as the channel of authority of *all* representatives of United States agencies",⁵ except oper-

ating military forces which have always reported through the military chain of command.

Another notable exception to the Eisenhower order was made by means of a secret directive, sent out after the Executive Order, exempting the CIA from ambassadorial supervision.⁶ The exemption of CIA remained in effect until President Kennedy, shortly after taking office, sent his version of a Presidential letter giving additional impetus to previous instructions with respect to ambassadorial coordinating responsibility.⁷ In a sharp break with precedent, Kennedy followed his letter with a secret directive informing ambassadors that the CIA was *not* exempt from this responsibility. The Kennedy letter, regarding CIA, remains in effect today, although the extent of real ambassadorial control over CIA operations varies from country to country.⁸

THE KENNEDY LETTER

As is customary with new administrations, the Kennedy administration appointed quite a number of high-ranking officers to the State Department. The Kennedy appointments were intended to give State a more action-oriented, aggressive and managerial spirit. Some of the figures who were considered to embody this spirit included not only Secretary Rusk but also such men as Chester Bowles, George Ball, Mennen Williams, Averell Harriman, Roger Jones, and Harlan Cleveland. Many of these individuals were active in promoting the issuance of the Kennedy letter. They were deeply aware of the extent to which the traditional State Department approach towards the conduct of its responsibilities fell short of meeting the requirements of diplomacy in the postwar era. They saw that many ambassadors were reluctant to assume responsibilities beyond their traditional duties. Some ambassadorial hesitation about trying to settle conflicts between operating agencies stemmed from fear they would not be backed up by the State Department. In the light of the evidence that overseas missions needed a firmer leadership, Kennedy decided to write to each ambassador clearly establishing authority and responsibility.⁹

The first draft of the letter for the President's signature was written in the White House by Ralph Dungan, a special assistant to the President. Dungan, one of Kennedy's closest and most trusted advisers, was intent on assisting the President to exercise fully the foreign affairs authority that has come

²Memorandum of Understanding Between the Departments of State and Defense and the Economic Cooperation Administration, as Revised and Circulated, March 6, 1951.

³"The Ambassador and the Problem of Coordination", a study submitted by the Subcommittee on National Security Staffing and Operations (pursuant to S. Res. 13, 88th Congress) to the Senate Committee on Government Operations, GPO, 1963.

⁴Executive Order 10338, April 4, 1952.

⁵Executive Order 10476, August 1, 1953, Part III, Procedures for Coordination Abroad.

⁶Victor Marchetti and John D. Marks, *The C. I. A. and the Cult of Intelligence* (New York: Alfred A. Knopf, 1974), p. 340.

⁷President Kennedy to Chiefs of Mission, May 29, 1961.

⁸Marchetti and Marks, op. cit., p. 340.

⁹Chester Bowles, *Promises to Keep: My Years in Public Life 1941-1969* (New York: Harper and Row, 1971), p. 323.

to be regarded as a power derived from the Constitution. Dungan played an influential role in helping to formulate what was called "The New Diplomacy". His views on what this phrase meant are summed up in the following quotation:

"We must know where we are heading, what we want to achieve, and how we can best achieve it. Foreign policy—the New Diplomacy—can, in short, no longer be only a matter of making policy by the cables, of playing it by ear, day-to-day. It requires planning and programming toward specific as well as general objectives, and it requires thinking through the contingencies and planning to meet them. In short, the New Diplomacy requires anticipation of, not reaction to, events."¹⁰

The assignment to draft this letter fell to Dungan largely because of its relationship to another responsibility he had for overseeing new legislation to reorganize the foreign assistance program. The assignment to Dungan removed the preparation of this particular communication from the primary responsibility of others in the White House, such as McGeorge Bundy, the President's Special Assistant for National Security Affairs, and members of his staff, who took less interest in it than they otherwise might have.

The decision to send out the letter raised an issue of the authority of the President to interpose the ambassador between non-State agency representatives in the field and the heads of their respective departments in Washington. The Agriculture Department, for example, had challenged the prior Eisenhower directive and had won a judicial ruling that the overseas Agriculture representatives were responsible only to their departmental offices in Washington, thus calling into question the constitutionality of that Presidential order. When President Kennedy was confronted with this legal issue, he referred it to Attorney General Robert Kennedy, who advised his brother that he did have the authority to issue such a directive to his ambassadors.

A second issue that was fought out before completion of the final drafting of the letter concerned use of the country team as a mechanism for achieving coordination of the various elements of overseas missions. Opinion was sharply divided between proponents and opponents of the country team. Advocates argued that it had proved itself many times over since it was first espoused in the Clay memorandum. But others, both within the State Department and in other agencies, were not in sympathy with this device. Within State, opposition reflected various considerations. There was some bureaucratic reluctance to formalize a system

for interagency communication and shared responsibility. Secondly, there was a sense, on the part of some ambassadors, that the device was a constraint on their freedom of decision-making. Some ambassadors were simply not interested in the activities of many of the non-State elements of their missions and did not want to be forced into a regular forum where State and other agencies met as peers. Opposition to the country team from other agencies than State also reflected various considerations—concern that the country team was nothing more than a means of giving non-State personnel a sense of participation, or, alternatively, a concern that the country team forced too much revelation and control of an agency's activities.

During the years preceding Kennedy's Presidency, the country team machinery was developed to the point where it could be used as a device for obtaining interagency agreement on various policy issues. A policy matter in dispute in Washington might be sent to the field with a call for a country team concurrence. Alternatively, such a process might be initiated in the field. Problems with such use of the country team developed along two lines. Some ambassadors used the country team concurrence to delay or to avoid making their own decisions. Conversely, other ambassadors, more willing to assume leadership, chafed at the requirement to subject what they regarded as their decision-making prerogative to a committee review process.

Rather than taking a stand on the country team, those who put together the final draft of the President's letter omitted reference to it altogether. Thus the controversy over the uses and misuses of the country team continued well after issuance of the letter.

In the letter as it was finally transmitted, President Kennedy stated:

"In regard to your personal authority and responsibility, I shall count on you to oversee and coordinate all the activities of the United States Government in (name of country).

"You are in charge of the entire United States Diplomatic Mission, and I shall expect you to supervise all of its operations. The Mission includes not only the personnel of the Department of State and the Foreign Service, but also the representatives of all other United States agencies which have programs or activities in (name of country). I shall give you full support and backing in carrying out your assignment.

"Needless to say, the representatives of other agencies are expected to communicate directly with their offices here in Washington, and in the event of a decision by you in which they do not concur, they may ask to have the decision reviewed by a higher authority in Washington.

"However, it is their responsibility to keep you

¹⁰Ralph Dungan, "A Year of Substantial Progress", in *Foreign Service Journal*, April, 1963, p. 29.

fully informed of their views and activities and to abide by your decisions unless in some particular instance you and they are notified to the contrary.”¹¹

Largely in support of the President's attempt to establish the coordinating authority of ambassadors by means of a personal letter, numerous efforts were subsequently launched to strengthen and improve management throughout the Department of State, including the overseas missions. Experimental attempts were made to adapt innovative techniques in the fields of budgeting, personnel policy and programs, and internal agency administration. These efforts were intended to enable the Department of State to perform as the principal agency of the government for formulating foreign policy and coordinating its execution. The stimulus for many of these efforts was an assumption that the way to strengthen the ambassadorial role was to make ambassadors good managers. Effectiveness was equated with efficiency. Ability to perform in the role of a diplomat, negotiator, and monitor of America's interests abroad was associated with competence to manage the mission, to assure productive work forces in all its component parts, and to foster optimum interchange of information among them. The validity of this assumption is one of the issues to be addressed in this study.

THE AMBASSADOR AS HEAD OF A COUNTRY TEAM

The Kennedy letter was followed closely by a statement by Secretary Rusk, widely circulated to field personnel, in which he said:

“We expect our ambassadors to take charge of the relations of the United States with the countries in which they are posted and if necessary to take charge of all the officials who are in those countries working with them. We need to know to whom to turn if something begins to go wrong.”¹²

¹¹President Kennedy to Chiefs of Mission, *op. cit.* The complete text of this letter is attached as Enclosure A. The latest in the series of Presidential directives to ambassadors is President Nixon's letter of December, 1969. In that letter, Nixon indicated that he would look to his ambassadors not only to provide policy leadership and guidance but also to assure “positive program direction to the end that all United States activities in the host country are relevant to current realities, are efficiently and economically administered, and are effectively interrelated so that they will make a maximum contribution to United States interests in that country as well as to our regional and international objectives”. President's letter of December 9, 1969.

¹²Remarks by Secretary of State Dean Rusk to the Foreign Service Institute, June 9, 1961.

Rusk's remarks were followed in turn, one month later, by a memorandum from Under Secretary Bowles to each Chief of Mission in preparation for a series of regional meetings with ambassadors where the implications of the President's letter were to be addressed. The Bowles' memorandum, developed in close coordination with the White House, noted that an ambassador is in a position to help representatives of other agencies to carry out their agency objectives and that it is the ambassador's task to support the activities of such agencies through effective working of the country team “in furthering our national objectives”.¹³

Except for Bowles' reference to use of the country team device, the injunctions to the field from the White House and the State Department were singularly devoid of any guidance about machinery or exactly how the ambassador was to “oversee and coordinate” other agencies. In the final analysis, there was little of substance, aside from the inclusion of CIA within the ambassadors' coordinating mandate, that differentiated the Kennedy directive from earlier Presidential directives. The principal thrust of the Kennedy letter was an exhortation to ambassadors to act in the capacity of a chief executive or as a “little President”. But the distinction between the Kennedy letter and its predecessors was seen by many in the field to be more rhetorical than substantive. Like much else that transpired in the era of Camelot, the communications from President Kennedy to his ambassadors were surrounded by a certain aura that flowed from a charismatic leadership. Those who belonged to the Kennedy team drew inspiration from belonging, but many career foreign service officers did not regard themselves as team members.

In the latter half of 1961, Bowles headed up five regional ambassadors' meetings where he was accompanied by high-ranking representatives of each of the other agencies involved in the various regions. In prior discussions with the heads of these agencies in Washington, Bowles had advised them that this was a serious effort to modernize U. S. overseas operations and that it had the full backing of the President.

During the regional meetings, it became apparent that the ambassadors were, for the most part, pleased to be armed with a Presidential directive strengthening their authority and responsibility, though most of them were doubtful as to whether the directive really meant what it said. Each regional meeting began with a comprehensive discussion of the policies of the new administration and the way these policies affected particular regions. The ambassadors sought to give the Washington

¹³Memorandum from Under Secretary of State Bowles to all Chiefs of Mission, July 8, 1961.

representatives of the various agencies, in attendance, a clear picture of the practical problems of coordination they confronted.¹⁴

The country team device had been adapted in many varying forms in U. S. missions around the world by the time the Kennedy letter was issued. As noted above, however, it had always been felt that the make-up of the team and the procedures governing its operation were so dependent upon the composition of a mission and the style of ambassadorial management that attempts to standardize format would be counterproductive. Accordingly, the country team concept had been utilized many different ways and with widely varying degrees of success. In the Kennedy years, as today, there were some ambassadors who attached little importance to this means of coordination, while others relied heavily upon it. During the period covered by this case study, the country team was still being promoted as a major instrument for pulling together and rationalizing the different aspects of American overseas programs. For our purposes, therefore, it will be useful to review the comments of some ambassadors writing about the country team concept in the period under study. The following observations are cited from a survey of ambassadors released in 1964 entitled "This Worked for Me".¹⁵

An ambassador to a large post reported that, on his arrival there, he found the so-called country team to be a huge mass meeting in which little effective work was done. He stripped it down to a small group, which he called "the real core", comprising himself, the Deputy Chief of Mission, the administrative counselor, his special assistant, the senior military officers, the AID Director, the Public Affairs Officer, and any others needed to thrash out special issues. Meetings were held at weekly luncheons. The DCM coordinated advance preparation, including circulation of discussion papers. Additional meetings at this embassy included "a larger meeting weekly of all elements in the mission to discuss developments of importance", a brief daily meeting held by the DCM on political affairs, and regular meetings of the economic and administrative sections.

An ambassador to a medium-sized post, with many different agencies making up the mission, reported that he held eight different types of meetings, averaging about one a day, none of which was specifically called a country team meeting. The description of these meetings is attached as Enclosure B.

For a small post, an ambassador reported that he considered all officers in the mission to be members

of the country team. He noted that, except for the daily staff meeting held by his DCM, he did not consider it necessary to hold many formal scheduled meetings. His alternative approach to the country team meeting also is attached as Enclosure C.

By the early sixties, a number of posts had developed quite formalized machinery for running country team operations. Such machinery might include a regular schedule for formal meetings, provision for special meetings on an "as needed basis", assignment of responsibility to the DCM for coordinating the meetings, assignment of a secretary or rapporteur function to a designated officer, chairmanship of the actual meetings, usually by the ambassador, but in some cases, by the DCM, a system of subcommittees or working groups within the country team structure, a formal understanding on the means for resolving differences on policy issues that might arise within country team meetings, and a system of country team clearance or concurrence on issues or discussion papers.

Not only was there a wide divergence in the mechanics of country team operation, as evidenced in the foregoing commentary, but there was also a great variation in the philosophical approach which ambassadors took toward making real use of the device. Some were willing to operate quite openly, sharing information widely through exchanges in such a forum as the country team, and, even in some cases, using the country team in times of crisis as a functioning policy-making unit. At the other extreme, some ambassadors regarded the country team as an impingement on their authority and a clumsy device which could not be adapted to clear and crisp decision making.¹⁶

For the most part, country teams wind up as information exchanging mechanisms rather than action instruments. The team meetings can serve as a useful forum for ironing out differences in viewpoints represented by different agencies. A question may then arise as to how much an agency representative may want to ventilate policy differences among his peers. In general, it is likely that the frankness and openness of discussion will be a function of the size of the group represented in a team meeting.

The political environment in which an ambassador operates, and particularly his relations with

¹⁴A discussion of the variety of approaches taken towards coordination and leadership in the Ambassadorial role is presented in Chapter 8 of *The Professional Diplomat*, John E. Harr, (Princeton: Princeton University Press, 1969). In researching this study, Harr conducted a survey of the diplomatic professions. Respondents to a questionnaire evaluating recent changes ranked the emergence of the country team as the third most beneficial out of eight items.

¹⁴Bowles, op. cit., pp. 324-325.

¹⁵*This Worked for Me: Mission Chiefs Pool Useful Ideas and Techniques*, Department of State, 1964.

Washington, obviously exert a major influence on his ability to manage his mission and his overall effectiveness. Some of these background considerations as they were operative in the Kennedy years are addressed in the following section.

THE AMBASSADOR AND WASHINGTON

The locus of responsibility for coordinating overall policy among the numerous U.S. agencies having international interests is Washington. Enormous effort was devoted during the Kennedy years to devising a system for reconciling all the differing, and sometimes conflicting, interests represented by the various foreign affairs agencies, civilian and military, overt and covert, program-oriented and reportorial. The National Security Council functioned as a coordinating mechanism with a mixed record of success in both the formulation and execution of policy decisions.

As noted in one of the companion studies to this report, Kennedy used the NSC, in antithesis to his predecessor, in a way that actively involved the President and his personal NSC staff in a variety of bureaucratic levels. Kennedy favored a flexible, action-oriented approach in contrast to the elaborate, formalized structure of the Eisenhower years. With a number of its supporting organs, such as the Operations Coordinating Board, eliminated, the NSC became only one of many possible places for decision-making. Meanwhile, though the White House talked of returning action to the operating agencies, especially State, White House frustration with State's performance (or lack of it) led to an unprecedented role for the NSC staff as the President's personal instrument.¹⁷

Under these circumstances, an ambassador related to the changing policy process in Washington in several ways. His reports, or the reports of his officers, represented input into the system. The efficacy of the reporting was crucial to the total process. Sometimes an ambassador played a vital role in the deliberative process within the NSC. But the times when an ambassador's input figured that directly in formulating policy on a day-to-day basis were essentially times of crisis occurring fairly infrequently.

In addition to providing input into the policy formulation machinery in Washington, the ambassador served as an extension of that machinery in the field, responsible for the implementation of the policy emanating from Washington. His performance was evaluated both by what he contributed to

the policy process and how he carried out the policy he was expected to execute. At both the giving and receiving end of this process, the ambassador was involved in a complex web of interagency relationships which he sought to influence in such a way as to maximize the benefits and minimize the costs to the U.S. national interest in the country to which he was accredited.

In a post of major importance receiving much attention on the part of the policy makers in Washington, it can be more difficult for the ambassador to shape policy and influence its execution than for an ambassador in a smaller post not under such close Washington scrutiny. The number of the latter was rapidly escalating in the Kennedy years. Many of the new African missions were just being opened. Kennedy took more interest in Africa and other developing countries than either his predecessor or successor. Even Kennedy, however, was not able to keep closely attuned to the activities of all U.S. missions in these emerging nations.

In the Kennedy years, as today, the relative strengths or weaknesses of the President, Secretary of State, and the heads of other executive departments and agencies obviously impacted the ability of an ambassador to influence policy relating to "his" country. Other critical factors had to do with the nature of the country to which he was assigned. Washington played the lead role in determining policy to govern large and important posts or those which were central to some major current issue. The large and important missions, such as the Western Europe posts and Canada, entailed numerous reporting links and called for much reflective thinking by an ambassador. Another collection of posts, somewhat less prominent in Washington reportage, called for a more activist leadership with greater ambassadorial initiative. A third category consisted of posts where the main function was showing the flag. Each category called for a different type of ambassador. Generalizations which fail to make the distinction in the types of missions may be quite misleading.

The extent to which the ambassadors receiving the Kennedy letter changed their methods of managing and administering their missions depended a great deal on such considerations, noted above, as the size and nature of the post, relationship of the ambassador to Washington, and the importance of the particular country in the overall politico-military picture. Some ambassadors took the Kennedy letter and ran with it. A representative, though not a comprehensive, list of such action- and management-oriented ambassadors would include Samuel Burger, John Kenneth Galbraith, Edwin Korry, George McGhee, and John Tuthill. Such men as these took seriously the intent of the Kennedy letter that the ambassador was to serve as

¹⁷"The Nixon-Kissinger National Security Council System: 1969-1972", prepared for the National Academy of Public Administration by Chester A. Crocker, August, 1974.

Chief Executive of the mission. On a number of occasions, ambassadors were willing to go to the mat on policy differences with heads of other agency elements. The authority provided the ambassador in the letter was tested and never found wanting. Other ambassadors, however, were less willing to stir up controversy or to allow policy differences to come to a head. Neither the Kennedy letter nor any other directive could have eliminated all vestiges of the bureaucratic tendency to avoid making hard decisions in the hope that problems will go away.

THE AMBASSADOR AS THE "PRESIDENT'S MAN"

The Kennedy letter was an effort to strengthen the personal tie between the President and his ambassadors. Although ambassadors are formally the representatives of one head of state to another head of state, the formality has lost much of its traditional significance. With the proliferation of new nations occurring after World War II, it was hardly possible for an American President to maintain a close personal tie with most of his ambassadors. Kennedy did more than either his predecessor or his successor to nourish such a relationship, but even his meetings with most departing and returning ambassadors came to be somewhat spasmodic and were often held on a group basis.

The attempts to depict the ambassador as the President's man in the field have come to be seen as a rather transparent myth. In fact, if not in name, the ambassador is the representative of the Department of State, which serves as his home office, gives him most of his guidance, and, in the case of career officers, represents his principal professional affiliation.

The myth has some value. First of all, it corresponds to the way things are done by all other nations in the strangely anachronistic world of diplomacy. Occasionally, it provides the ambassador a convenient cloak on those occasions when he strives to be impartial in matters involving inter-departmental differences with State. In any event, there isn't much that can be done to undo the myth since it is indelible in all diplomatic relationships. But any structure based on pretense is bound to have certain weaknesses which can produce shortfalls in performance.

Ironically, the Kennedy White House activism in the area of foreign affairs tended to undermine what the Kennedy letter to ambassadors sought to achieve. Kennedy made an exceptional number of changes in ambassadorial appointments. Those recipients of his letter who held lame-duck appoint-

ments were hardly fortified by this piece of paper. At the same time, by retaining Allen Dulles as Director of CIA, Kennedy assured that there would be little changeover in the heads of overseas CIA missions. In a sense, therefore, the impact of the Kennedy letter was significantly undermined.

The ambassador's control, or lack of control, over intelligence activities has come to be regarded by many as the weakest link in his coordinating authority. Much of the build-up of CIA power occurred during the Kennedy years. The implications of this build-up are far-reaching and involve the basic issue of how far the United States Government should go in the intelligence gathering and covert operational activities sponsored by our civilian and military intelligence services. This is an issue beyond the scope of this particular study. But it should be noted that the growth of the intelligence service corresponded with an era in which the U.S. was expanding its overseas role and involvement. There was a willingness to assume heavy commitments in safeguarding the free world against the threat of Communism and assisting the under-developed nations in their development efforts. Some observers feel that the power gained by the intelligence services has often been won at the expense of the collective influence of our ambassadors. Despite the Kennedy administration decision to include intelligence as an area falling under the ambassadors' coordinating authority, the Kennedy years actually witnessed a further build-up of autonomy in many overseas intelligence missions.

The Kennedy style of administration gave added advantage to ambassadors who had a close personal tie to the President and could be sure their communications would get through to him. In the Kennedy White House, free-wheeling and informality were valued more highly than going through channels. Some of the ambassadors who were most widely praised for their effectiveness were those who used their personal associations with the President to get quick high-level attention to their dispatches, often circumventing regular channels. But a basic issue of public administration is raised by a system that rewards those who work outside the machinery established for the very purpose of coordinating the views of all interested agencies and levels of government.

THE DEPUTY CHIEF OF MISSION

The position of Deputy Chief of Mission was established during the early post-war years, partly as a means of asserting the leading position of State's component of an overseas mission vis-à-vis eco-

nomic assistance missions. The role of the DCM came to be one of major importance in the administration and management of a mission. How close it is to that of alter ego to an ambassador, as it is frequently regarded, depends on the ambassador's style of management, the degree of confidence he places in his DCM, the requirements of a particular mission, and other variables. There can probably be no hard and fast universal prescription for determining the nature of this relationship.

A few generalizations can be made, however, to illuminate the nature of the relationship. First, the DCM is almost always called on to serve in the role of general manager of the mission. The ambassador looks to him to see that the embassy is functioning at optimum performance, that the various elements of the mission work effectively together, and that effective coordination takes place. The DCM is also responsible for overseeing, in particular, the operations of the State Department component of the mission. In some instances, the DCM serves as chairman of the country team meetings, which the ambassador may either not attend on a regular basis or may attend in his capacity as the President's representative. Whether or not the ambassador deputizes his DCM in this way, the latter has a crucial managerial responsibility.

A second generalization, also obvious but nevertheless worth making, is that the ambassador-DCM relationship can make or break an embassy. If the two men have a conflict of personality, if there is a lack of mutual trust, or if the strengths and weaknesses of each are the same so that there is no complementary or mutual reinforcement, the entire mission suffers. Because of the highly personal and idiosyncratic nature of this delicate balance, it has become the practice to allow the ambassador some latitude in choosing his DCM, or replacing one with whom he cannot work. Likewise, it has come to be accepted that DCM's may be reassigned from the field without receiving a negative report in their personnel file.

During the period under review in this case study, little was done to standardize or institutionalize the role of the DCM. As noted above, his relationship to a country team was left to the ambassador's preference.¹⁸

The position of DCM calls for a combination of talents: professional foreign affairs competence, managerial capability, and an ability to motivate people of various agencies at various levels. Most

¹⁸Recently the Foreign Service Institute set up a seven and one-half day training program for DCM's. Before this, it was assumed that a DCM-designate would have learned by osmosis all that he would need to know about how to manage an embassy. Such an assumption reflected a State Department view towards management and administration which has often been characterized as patronizing or unsympathetic.

important, the DCM must understand what it means to be a deputy and how he can best provide the advice and counsel his ambassador should have, regardless of whether or not the latter seeks it. The position of DCM is the next to last step on the ladder towards an ambassadorship. It is the best kind of on-the-job preparation for that position. Little was done under the Kennedy administration to train DCM's for future ambassadorial roles or to strengthen the leadership potential of this cadre of professionals.

INDIVIDUAL STYLE

Traditionally, there have been relatively few constraints on how an ambassador administers and manages his mission. Such constraints as do exist are limits on an ambassador's ability to shape the size and composition of a mission's component parts. Except for the Deputy Chief of Mission and a few other key positions, an ambassador has little influence in staffing appointments. But otherwise, he enjoys great latitude. Whether or not he uses a country team, whatever other meetings he holds, whom he sees, how he divides his time, or what style of management he adopts are all matters for his determination.

Success and failure stories could be found in the Kennedy era, as now, for all styles of management, the hard and soft schools, the loose and structured, centralized and decentralized, and with or without a "country team". There are many different ways to do the job and no one sure guarantee of success. That is why it has long been argued that the ambassador should run his mission along lines compatible with his personal style. If an ambassador is incapable or incompetent, and there is no lack of such examples in the annals of U.S. statecraft, it has been felt that no management manual would correct the deficiency. On the other hand, there may well be a legitimate question to be raised concerning the lack of emphasis on what might be called institutionalizing the office of ambassador. Attempts to inject any sort of consistency into the organization and operation of U.S. overseas missions have not been notably successful.

Among an ambassador's accoutrements for coordinating and managing his mission is his own personality and ability to lead. As in all other senior administration positions, much depends on the individual's capacity to inspire, motivate, and stimulate. Such facility, in turn, is closely tied to the capability to project self-confidence and assurance. The perception can be almost as important as the reality. Much of the ambassador's endowment of authority turns out, in effect, to be token. How indi-

vidual ambassadors translate the token into the real world of power politics must be a matter of personal style.

In view of the great significance of individual style as a determinant of the effectiveness of ambassadors, it would seem logical that some systematic attempt would be made to identify the characteristics of such high achievers. Whatever it was that made them successful might well be identified, codified, and put into the form of models for guidance of those who follow. No systematic effort along these lines appears to have been made either during the Kennedy years or at any other time.

The science of management would be hard pressed to provide a universal guide in such a world where the art of personal persuasion and diplomacy is so controlling. Within the State Department, at least up to the time of the Kennedy administration, there was a pronounced skepticism toward administration and management. These were considered areas of an inferior order to international politics and diplomacy. As noted above, however, the Kennedy appointments to State brought in a number of individuals interested in trying to apply modern management techniques in the conduct of U.S. foreign affairs. This movement was advanced by many of those who were involved in issuing the Kennedy letter, and it drew support from that letter.

NEW MANAGEMENT SYSTEMS

The Kennedy administration brought to Washington a number of proponents of advanced management information techniques and programming systems. A fundamental cause of the problems confronting the United States in the conduct of its foreign affairs, as seen by this relatively small number of management-oriented individuals, stemmed from inadequate management of information and communications and the lack of a systematic basis for setting objectives and evaluating progress towards these objectives.

The period of the early sixties was the era in which the Defense Department management system, brought in by Charles Hitch and others, was being widely acclaimed. William J. Crockett, who became Assistant Secretary of State for Administration early in 1961, was strongly in favor of a new method in State for linking plans, programs, and budgets. Crockett accompanied Under Secretary Bowles at several of the above-mentioned regional ambassadorial conferences. The need expressed at these meetings for better information systems added weight to the movement already under way

for the application of a Planning Programming Budgeting System in the Department of State.¹⁹

The first public recommendation for programming in foreign affairs appeared in December 1962, in the report of the Committee on Foreign Affairs Personnel, known as the Herter Committee.²⁰ The Herter Committee cast its recommendations for personnel reform in the broader framework of the Kennedy administration's somewhat hortatory call for the "new diplomacy" and the leadership role of the Department of State. The initial recommendations of the report proposed new approaches to the development and coordination of foreign affairs programs including a system whereby foreign policy objectives are translated into programs of action to be undertaken in each area of foreign affairs activity, projected as far into the future as is feasible.²¹

Within State, the geographic bureau which proved most receptive to experimentation in programming systems was ARA, the Bureau of American Republic Affairs. Proponents of programming systems worked with ARA representatives to adopt a system of National Policy Papers for each Latin American country, within an overall system that eventually came to be called the Comprehensive Country Programming System, (CCPS). Colombia was selected as the first country for experimental application of CCPS. During 1963, Crockett and members of his staff worked on promoting CCPS on a departmental basis and on developing the specialized staff capability necessary to make such a system work.

In the period of the Kennedy presidency, CCPS did not move beyond this experimental phase, though later it was to be more widely adopted. The Latin American area has always retained a version of the system, and other outgrowths of it are evident elsewhere. But after Kennedy's assassination, there was a sharp drop in White House interest in strengthening the managerial capability of the State Department and providing an effective mechanism for backstopping U.S. ambassadors. Kennedy's men had been supportive of these efforts in State. Johnson, though he was interested in programming systems as a cost control device, took no interest in the broader purposes they were intended to serve.

A number of other efforts to strengthen the overall management of foreign affairs in Washington

¹⁹Frederick C. Mosher and John E. Harr, *Programming Systems and Foreign Affairs Leadership: An Attempted Innovation* (New York: Oxford University Press, 1970). This case study details the history of what turned out to be largely abortive efforts to install modern information handling and programming systems as tools for the conduct of foreign affairs.

²⁰Committee on Foreign Affairs Personnel, *Personnel for the New Diplomacy* (New York: Carnegie Endowment for International Peace, 1962).

²¹*Ibid.*, p. 13.

and the field were incubated in the years of the Kennedy presidency and particularly in the environment emerging after the issuance of the Kennedy letter. The letter was, in a sense, an opening to a new thrust in managing foreign affairs and strengthening the coordinating role of U.S. ambassadors. It depended on a concerted follow-up effort in Washington to be given real substance. That follow-up was inhibited in the Kennedy years by the aforementioned stand-off between the White House and State. Later, under Johnson, the follow-up was hampered by a sharp falling-off in Presidential interest in and regard for the ambassadorial function.

EFFECTS OF THE AMBASSADORS' CASE

What Effects Were the Proposed Changes Intended to Have? As noted at the outset, the Kennedy letter was primarily an exhortation to ambassadors to act in the capacity of chief executives and an assurance that they would be backed by the President in doing so. The letter was a part of a broad change in the Presidential style of managing the conduct of foreign affairs. But, in retrospect, it appears that the much-touted Presidential letter, which was perceived as a means of redirecting and changing the ambassadorial role, was lacking in any practical "how to" type guidance on the means of achieving the objective. Furthermore, there was only limited follow-up to the letter which gave the ambassador anything he had not had before to manage his mission. The only specific mechanism mentioned in later communications was the country team, cited in the Bowles memorandum. The country team was anything but a new concept. Both the letter and the country team were designed to equip the ambassador "to oversee and coordinate" all the agencies represented in his mission. In the final analysis, the leadership of the mission still depended on the style and approach of the individual ambassador.

The State Department's efforts to develop a programming system began to get under way a year or so after the issuance of the Kennedy letter and did not really have much of an impact until 1963, when experimental programs were adopted in some Latin American countries. This effort was part of the overall attempt to inject better management into the conduct of foreign affairs.

What Effects, Intended and Otherwise, Were Actually Experienced? Despite the fact that relatively little beyond exhortation was done in Washington to change or add to an ambassador's authority, results were achieved in overseas missions. Two years after issuance of the letter, the committee headed by

Senator Jackson looking into national security and staffing could report: "The field is refreshingly free of interagency strife. In general, the deep jurisdictional clashes evident in Washington are absent."²²

A similar observation was made by Chester Bowles, who made an extensive survey of U.S. embassies in the winter of 1963 when he was no longer serving as Under Secretary but as a roving Ambassador. He reported as follows:

"Although there were a number of inadequate performances, most of our envoys had been reasonably successful in integrating the operations of the various agencies and eliminating confusion and interagency conflict. Their success was usually in direct proportion to the amount of time, energy and resourcefulness they had devoted to the task. As might be expected, the younger ambassadors, by and large, functioned most effectively under the new system. Several of the senior ambassadors, particularly in Europe, continued to be reluctant to assume personal responsibility for 'controversial' programs such as the USIS, Peace Corps and AID."²³

Bowles went on to state:

"The fact that in the last ten or fifteen years the influence of the United States has continued to diminish in most parts of the world is, by and large, the fault not of our ambassadors but of events beyond their control. Even the most able and experienced chief of mission is rarely able significantly to influence the views of those in Washington who make the policies under which he operates."²⁴

The Bowles view was put in an even more extreme form by Messrs. Mosher and Harr in their study, cited above. Writing of the situation in the field in 1963, they observed: "In fact, much of the coordinative effort in the field was effective in spite of Washington; and most of its weakness was because of Washington."²⁵

President Kennedy and his White House advisers came to be more aware of, and agitated about, what they considered a lack of leadership in State than the somewhat more remote issue of ambassadorial leadership. The White House focused its attention more on developing an effective machinery for decision making in Washington, leaving the field to operate much as it had in the past.

Follow-through of the initiative taken with Kennedy's letter was neglected not only by the White House but also by the State Department. The Secretary showed no personal interest in these matters. The easing out of Bowles removed a principal actor

²²U.S. Senate, Committee on Government Operations, op. cit., p. 11.

²³Chester Bowles, op. cit., p. 325.

²⁴Ibid., p. 325.

²⁵Mosher and Harr, op. cit., p. 23.

in the 1961 drive to strengthen the ambassadorial role.

Perhaps, in a kind of distortion of purpose, the limited success achieved overseas through the Kennedy charisma and the sense imparted to some ambassadors of belonging to a winning team had a reverse negative effect on efforts to keep moving on in the direction of upgrading the managerial function in overseas missions.

What Factors Appear to Have Been Responsible for the Actual Effects of the Changes in Question? To the extent that any change was effected, it should be attributed more to exhortation and the reactions of individual ambassadors than to a systematic effort to redirect the management of overseas missions. Perhaps one lesson to be learned is that exhortation can have an impact.

To the extent that lasting change was not effected, or, to put it in more critical terms, to the extent that there was a failure to make U.S. ambassadors into coordinators of all aspects of American foreign policy, and managers of country teams, several causes may be adduced.

1. Neither the President's letter nor any of the follow-up gave chiefs of mission any specific assistance with respect to how they were to assert their coordinative responsibility. While all elements of a mission were alerted to the fact that the White House looked to the ambassador to be the leader with final word on issues in dispute, nothing was done to change the basic political power situation. In particular, the CIA was permitted to retain a high degree of autonomy.

2. Not long after the administration's initiative to bolster the role of the ambassador, White House dissatisfaction with the leadership of the State Department led to further reassertion of a dominant White House role in foreign affairs decision making. It was perceived, quite rightly, that the critical locus for effective coordination of foreign affairs is Washington, not the field. An ambassador's role in decision-making obviously ought to be and usually is one of crucial significance. But the growing complexity of the position of the United States as a

leading power of the Free World and the increase in the volume of data generated by U.S. missions around the globe tended to concentrate decision making at its center. Moreover, as White House dissatisfaction with State became more widely known, the position of the ambassador, as the representative of the State Department abroad, was undermined. What the White House gave with one hand it took away with another.

3. Within the State Department, there was little top level interest in coming to grips with the issues of management or administration, neither of which were seen as the fundamental causes of State's problems. Little concrete follow-through was provided to back up the Kennedy letter. The various ways of using the country team were not spelled out. No effort was made to identify the characteristics of those individuals who made the most effective ambassadors with the view to providing models for the future. In fact, what is remarkable about the appointment of U.S. ambassadors today is how little has changed in the way individuals are selected and prepared for their missions. The highly political nature of many key appointments belies any real conviction that professional career training and experience in administration in overseas posts weighs very heavily.

4. The question of what style of leadership makes for the best kind of ambassador is not one that lends itself to clear-cut answers. It is not even clear that efficiency necessarily equates effectiveness. It has often been argued that some of the best ambassadors have not been very management oriented. A good negotiator may not place much store on such mechanisms as the country team. What seems to be most sorely missing in efforts to upgrade management in the conduct of U.S. foreign affairs is any serious effort to address this question. Thus far, attempts to professionalize the foreign service and improve the management of foreign affairs all too often have been torpedoed by the pressures of politics and the interest of bureaucracy in retaining the status quo.

1. President Kennedy to Chiefs of Mission, May 29, 1961¹

DEAR MR. AMBASSADOR: Please accept my best wishes for the successful accomplishment of your mission. As the personal representative of the President of the United States in. . . you are part of a memorable tradition which began with Benjamin Franklin and Thomas Jefferson, and which has included many of our most distinguished citizens.

We are living in a critical moment in history. Powerful destructive forces are challenging the universal values which, for centuries, have inspired men of good will in all parts of the world.

If we are to make progress toward a prosperous community of nations in a world of peace, the United States must exercise the most affirmative and responsible leadership. Beyond our shores, this leadership, in large measure, must be provided by our ambassadors and their staffs.

I have asked you to represent our Government in. . . because I am confident that you have the ability, dedication, and experience. The purpose of this letter is to define guidelines which I hope may be helpful to you.

The practice of modern diplomacy requires a close understanding not only of governments but also of people, their cultures and institutions. Therefore, I hope that you will plan your work so that you may have the time to travel extensively outside the nation's capital. Only in this way can you develop the close, personal associations that go beyond official diplomatic circles and maintain a sympathetic and accurate understanding of all segments of the country.

Moreover, the improved understanding which is so essential to a more peaceful and rational world is a two-way street. It is our task not only to understand what motivates others, but to give them a better understanding of what motivates us.

Many persons in. . . who have never visited the United States, receive their principal impressions of our nation through their contact with Americans who come to their country either as private citizens or as government employees.

Therefore, the manner in which you and your staff personally conduct yourselves is of the utmost

importance. This applies to the way in which you carry out your official duties and to the attitudes you and they bring to day-to-day contacts and associations.

It is an essential part of your task to create a climate of dignified, dedicated understanding, cooperation, and service in and around the Embassy.

In regard to your personal authority and responsibility, I shall count on you to oversee and coordinate all the activities of the United States Government in. . .

You are in charge of the entire United States Diplomatic Mission, and I shall expect you to supervise all of its operations. The Mission includes not only the personnel of the Department of State and the Foreign Service, but also the representatives of all other United States agencies which have programs or activities in. . . I shall give you full support and backing in carrying out your assignment.

Needless to say, the representatives of other agencies are expected to communicate directly with their offices here in Washington, and in the event of a decision by you in which they do not concur, they may ask to have the decision reviewed by a higher authority in Washington.

However, it is their responsibility to keep you fully informed of their views and activities and to abide by your decisions unless in some particular instance you and they are notified to the contrary.

If in your judgment individual members of the Mission are not functioning effectively, you should take whatever action you feel may be required, reporting the circumstances, of course, to the Department of State.

In case the departure from. . . of any individual member of the Mission is indicated in your judgment, I shall expect you to make the decision and see that it is carried into effect. Such instances I am confident will be rare.

Now one word about your relations to the military. As you know, the United States Diplomatic Mission includes Service Attachés, Military Assistance Advisory Groups and other Military components attached to the Mission. It does not, however, include United States military forces operating in the field where such forces are under the command of a United States area military commander. The

¹Paragraphs 16 and 17 were omitted from the letters sent to Ambassadors in countries in which there were no United States military forces under an area military commander.

line of authority to these forces runs from me, to the Secretary of Defense, to the Joint Chiefs of Staff in Washington and to the area commander in the field.

Although this means that the chief of the American Diplomatic Mission is not in the line of military command, nevertheless, as Chief of Mission, you should work closely with the appropriate area military commander to assure the full exchange of information. If it is your opinion that activities by the United States military forces may adversely affect our over-all relations with the people or government of. . . . , you should promptly discuss the matter with the military commander and, if necessary, request a decision by higher authority.

I have informed all heads of departments and

agencies of the Government of the responsibilities of the chiefs of American Diplomatic Missions for our combined operations abroad, and I have asked them to instruct their representatives in the field accordingly.

As you know, your own lines of communication as Chief of Mission run through the Department of State.

Let me close with an expression of confidence in you personally and the earnest hope that your efforts may help strengthen our relations with both the Government and the people of. . . . I am sure that you will make a major contribution to the cause of world peace and understanding.

Good luck and my warmest regards,

Sincerely,

(Signed) JOHN F. KENNEDY

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2. A Pattern of Meetings—At a Medium-Sized Post

Although my pattern of staff meetings and task forces may well not satisfy the requirements of every diplomatic mission, I recommend it to missions like mine with a medium-sized staff but a multitude of agencies and responsibilities. I hold eight different types of periodic meetings. To some, that many may seem unnecessary, but for me they really are functional. They enable all officers to define the organization and to see their own responsibility in the development of the broad program.

a. A thrice-weekly, early morning meeting in my office is our shirt-sleeve working session attended by the DCM, director of AID, the chief of the political section, the chief of the economic section, chiefs of other agencies, and the PAO. We discuss the most recent developments and work out day-to-day tactics. This usually takes thirty to forty minutes.

b. A large weekly staff meeting in the conference room brings together all available officers of the embassy and associated agencies. This weekly "prestige" session enables everybody to have communication with the ambassador and vice-versa. Everyone has an opportunity to report briefly on developments in his sector.

c. A biweekly military meeting, held on alternate Fridays, is attended by the DCM, the three service attachés, the chief of MAAG, the political section, IAGS (Inter-American Geodetic Survey), a representative of AID, and any additional military personnel who may be required because of the subjects under discussion.

d. A biweekly economic and AID meeting, held on alternate Fridays, discusses economic and AID matters in depth. It is attended by the DCM, the director and deputy director of AID, and other AID representatives as appropriate to subject under discussion, the chief of the economic section, and the agricultural and labor attachés.

e. A monthly meeting of exchange and training program officers is attended by the DCM, PAO, cultural attaché, the chief of AID and his training officer, and the chiefs of the economic and political sections. This meeting is designed to allow an exchange of ideas and eliminate duplication in student exchanges, leader grants, training programs, etc. Summary minutes of this meeting are forwarded to interested agencies in Washington.

f. A monthly meeting is held with 15 to 18 key American businessmen representing all fields of American business interest in the country. This meeting is scheduled at the residence on the last Friday of each month. My DCM, commercial attaché, chief of the economic section, PAO, and other officers participate as well.

I always lead off with 15 to 20 minutes of semi-classified information on political and economic developments with a good splash of U.S. foreign policy regarding our relations with the host country. The meeting begins at 5 P.M.; drinks are served about 6:00 during the discussion period following presentation of agenda items.

g. Long-distance strategy sessions, held at 9 P.M. in my residence whenever desirable, are attended by the same group as listed in *a.* above. Military attachés and the MAAG chief are invited when matters under their competence are discussed. The purpose of the meetings is to examine in detail some aspect of a current political or economic situation and to come up with suggestions as to where we are heading and what we might do to influence the future course of events. The major advantage of these sessions is that they are uninterrupted by routine office work and may last three to four hours if necessary.

h. Meetings on specific administrative problems are held *ad hoc* whenever necessary, since urgent administrative problems cannot await consideration in a periodic staff meeting.

In addition to this regular series of stated meetings, which averages about one meeting per day, we have found it useful to establish various *ad hoc* task forces. Last year we established a task force for a violence problem which still meets whenever the occasion demands. We have recently organized a task force to consider our labor policy and another to study the position of USIS in supporting MAAG projects, particularly civic action. Each of these may be terminated and others started as occasions require.

I have found that the cross-fertilization of ideas and the reinforced coordination which develop from these meetings are highly useful in assuring a minimum of duplication and wasted effort and a maximum of cooperation within the various agencies and embassy sections.

3. A Pattern of Meetings—At a Small Post

In my rather small embassy, I consider all officers members of my country team, working together for the common objectives. I do not find it necessary to hold many formal scheduled meetings. One exception is the daily staff meeting held by my DCM. Following a very brief USIS review of the local press there is discussion in which every officer is urged to contribute what he has learned from the press and his contacts and to raise questions. These meetings help determine what to emphasize and who will see whom in the Government or elsewhere, about what. They also inform all members of the staff what the other officers are doing and what I want done.

I hold working meetings at all levels, sometimes in offices other than my own, and I require that all agencies clear their projects with my office in advance. This insures that they conform to the mission's objectives and prevents conflict.

I keep a reading file in my office and try to get through it before the end of each day. With exception of "Eyes Only" correspondence, it is open to everyone. I remind my officers constantly that an essential part of each man's job is to keep himself informed by reading it. I do not intend to be their source of information, but I will and I do give my interpretation of guidelines and instructions.

I review incoming and outgoing telegrams two or three times a day. I review other communications at

least once a week, more often if possible. Even at small posts with frequent consultation, such as ours, I find that I often want to call in a drafting officer and make recommendations on certain points.

I call together in my office the DCM and the heads of sections concerned whenever I return from conversations with top officials of the host Government. I dictate my memorandum of conversation and telegram to the Department, and they interrupt me freely with comments or questions as I go along. By the time I am finished with my dictation, I have answered the pertinent questions, taken into account in my telegram to the Department the comments of my staff, informed those involved of what has transpired, and assigned responsibility for follow-up action to the appropriate section of the Embassy. Copies are circulated to the rest of the staff. The practice gives the members of the staff a sense of close participation in embassy activity and ensures coordination on substantive matters. It also keeps me up to date on background information and on developments related to my own dealings with top officials in the other government.

Before making any policy statement, either publicly or in a communication to Washington, I call in my team and discuss it with them. This adds to their sense of full participation and guarantees that they remain familiar with what is taking place.

Foreign Aid: The Transition From ICA to AID, 1960-61

by Manlio F. DeAngelis

INTRODUCTION

Scope and Highlights. This case involves the transition process from the International Cooperation Administration (ICA) and other related foreign aid agencies to the Agency for International Development (AID). It covers the period from the Summer of 1960 through the reorganization that created AID in November 1961.

The setting, organizational elements, and stimuli for change are briefly presented. In addition, the principal change agents and forces that shaped the reorganization are identified. The main focus is on the effects and the causative factors. An analysis is made of the objectives met or not met and the underlying reasons. Finally, the organizational change process, keyed to lessons learned from the case, is discussed.

The basic reasons for the success of the AID reorganization are that it was timely, well-prepared, and responsive to needs of the less-developed countries that had attained sympathetic attention of the people, Congress, and the President of the U.S. The political campaigns of 1960 and the 1961 momentum of a new administration climaxed in recommendations and proposals that, generally, were accepted. The reorganization and new concepts also sought to reduce the causes of many of the criticisms of the past. In short, the U.S. did respond to the spur for world leadership in development, and many other nations increasingly joined in the effort by participating as foreign aid donors.

Setting and Background: Conditions Leading to Attempted Change. The U.S. Government's efforts in the foreign economic area have grown and evolved with the development of the U.S. as a world power. They have been spurred also by the increasing interrelationship of domestic and international economic affairs and the sharpening of economic and "cold war" competition with the Communist world. The 1947 Greek-Turkish Aid program, including

both military and economic assistance, marked the beginning of a new phase. The Economic Cooperation Act, in 1948, led to a four year (Marshall Plan) large scale capital transfer effort for 17 European countries based on recovery plans which they developed. The Point IV technical assistance program was proposed in President Truman's inaugural speech in 1949. After the Korean invasion, the main justification for economic aid was its contribution to U.S. security.

Under the Mutual Security Act of 1954, the relative emphasis on military assistance lessened and other instruments were created or enlarged to provide free world economic stability and growth. The Export-Import Bank's operations, principally to promote U.S. exports, were expanded. The Development Loan Fund, established in 1957, also evidenced a growing emphasis on loans, rather than on grants, for foreign economic assistance. Public Law 480 of 1954, providing for disposal of surplus agricultural commodities, developed into an important aid instrument. Furthermore, the U.S. contributed a major part of the funds for a variety of regional and international organizations and programs, such as the United Nations Development Program, the International Monetary Fund, the International Bank for Reconstruction and Development and its affiliate, the International Development Association (1960), and the Inter-American Development Bank (1960).

The history of foreign assistance has been marked by periodic and frequently disruptive structural, personnel, and policy changes. These have occurred as the ICA and its predecessor agencies moved from seeking economic recovery in Europe, to focusing on political and military security objectives, and then to emphasizing economic and social advancement in developing countries. The programs have been considered "temporary," and the annual legislative authorizations and appropriations have involved detailed Congressional reviews and, frequently, the addition of restrictive legislative requirements. So much of the time of officials

has been required for these reviews that, often, too little topside attention was left for administrative direction.

Major Organizational Units Involved. In January 1961, the outstanding organizational characteristic of U.S. foreign economic assistance activities was their high degree of dispersal among executive departments and agencies. This dispersal reflected the diversity of the U.S. economy, the complexity of foreign affairs, and the tendency to create organizations and assign responsibilities in the foreign economic field based on domestic political considerations. Furthermore, this "topsy-like" growth during the 1950's may have been partly the result of the multiple purposes to be served, as well as the deliberate strategy of some top officials aimed at getting more total funds by having many sources for foreign economic assistance. State had a major role in the foreign economic field and historically was responsible for foreign affairs, but it no longer had the dominant role. Treasury, Agriculture, and Commerce, the Development Loan Fund (DLF), the Export-Import Bank (EXIM), the Department of Defense (DOD), and the International Cooperation Administration (ICA), although it was semi-autonomous under State, had operationally significant roles. Many other less well-known agencies also had important functions. The President and the White House Staff, the Bureau of the Budget, and the Food for Peace Program (PL 480) were vital elements in this program area. The nascent Peace Corps was yet another organization which later would have large numbers of volunteers overseas.

THE STIMULI FOR ORGANIZATIONAL CHANGE

Presidential Change of Administration. During the election year of 1960, it was clear that, whether Kennedy or Nixon won, foreign aid would be subjected to a new and critical look since annual authorizations and appropriations were required. Therefore, the new President would have to develop proposals on foreign aid for submission to Congress. In addition, he would have to take appropriate executive actions since the appropriations would be made to him.

Following his nomination, Senator Kennedy, with appropriate publicity, had commissioned Adlai Stevenson to prepare a report on foreign policy problems as one of a series of advisory committee reports to be delivered in the transition period between the election and the inaugural. After Kennedy's election, more reports were needed as foundations for new programs and policies. Public reports also were considered valuable for use as

"trial balloons" to test the political climate for changes and as evidence to the public of mounting and continuing momentum for the Kennedy administration. George Ball and John Sharon, both Stevenson associates, headed a series of task forces, including among others: foreign economic policy, Africa, and overseas personnel. Kennedy's private judgment on the task force reports, delivered by January 1961, ranged from helpful to terrific.¹ Because of these intensive advance preparations and his own definite views formulated during his service in the Senate, Kennedy's program took definite shape well before his inaugural on January 20, 1961. Thus, the President was able to take the legislative initiative immediately, submitting 16 comprehensive messages (foreign aid and Latin America included) plus some 277 separate requests to Congress during his first hundred days in office.

Congressional Attitudes and Section 604, Mutual Security Act of 1960. Congressional opposition to U.S. economic assistance programs continued to rise after the cessation of the Korean conflict. The termination of all economic assistance within 24 months and military assistance within 36 months was specified in the Mutual Security Act of 1953. By 1954, Congress had softened its position somewhat but still required the termination in 1955 of the Foreign Operations Administration (FOA). Accordingly, President Eisenhower abolished FOA in 1955 and created ICA within the State Department. Despite the changes in organizational structure, Congressional dissatisfaction continued, as shown in part by the following:

1. 1959: Congressional establishment of the office of Inspector General and Comptroller for Mutual Security reporting to the Secretary of State to review, inspect, and audit the foreign aid programs and to evaluate their effectiveness.

2. 1960: Senator Fulbright's amendment to the Mutual Security Act, as finally enacted, called upon the President to have a study made and required findings and recommendations to be reported the following year. As enacted, Section 604 provided:

"The President shall have a study made of the functions of, and the degree of coordination among, agencies engaged in foreign economic activities, including the Department of State, the International Cooperation Administration, the Development Loan Fund, the Export-Import Bank, and the Department of Agriculture, with a view to providing the most effective means for the formulation and implementation of United States foreign economic policies. The President shall include in his presentation

¹Theodore Sorensen, *Kennedy* (New York: Harper & Row, 1965), p. 237.

to Congress of the fiscal year 1962 mutual security program his findings and recommendations resulting from such a study."

3. 1960: Congress asked the President to arrange for a nongovernmental study of the advisability of establishing a Point Four Youth Corps.

By 1960, criticism of the program was widespread. Both within and outside the walls of Congress there were charges of waste, inefficiency, unqualified personnel, poor organization and administration, lack of coordination, lack of information, and failure to follow Congressional mandates.

Expanded Role of the U.S. in Foreign Economic Activities. As of 1960-61, U.S. foreign economic activities involved a diversity of goals and objectives, many of which were in conflict. The January 1961 Section 604 Study stated:

"There is no overall set of objectives tying together the various functional groups of activities; viz, foreign assistance, economic defense, and economic reporting."²

The expanded role of the U.S. foreign economic activities, in addition to countering the Sino-Soviet Bloc economic and military competition served multiple assistance objectives and many broad domestic purposes, including: (1) expansion of foreign trade and U.S. exports, (2) maintenance of a vigorous and growing U.S. economy, (3) regional economic integration, (4) development of underdeveloped nations, and (5) participation of private enterprise in foreign investments. Vast improvements in communications and transportation facilities had shrunk the oceans and multiplied the concern of the U.S. at disruption in the economic or security situations throughout the world. Accordingly, there was widespread interest in improving U.S. organizational capacity to respond to world challenges. There was support for more emphasis on providing capital for development, social progress, and modernization. In 1959, Senator John F. Kennedy, after mentioning the national preoccupation with the missile gap,

called attention to another gap which, he said, 'constitutes an equally clear and present danger to our security'—the economic gap. By this he meant, 'The gap in living standards and income and hope for the future—between the stable, industrialized nations of the north, whether they are friends or foes and the overpopulated, underinvested nations of the south, whether they are friends or neutrals.'³

²Bureau of the Budget, *Staff Report on Organization and Coordination of Foreign Economic Activities*, p. 1-3, Vol. I. (Prepared pursuant to Section 604 of the Mutual Security Act of 1960 which resulted from Senator Fulbright's amendment—see item and text quoted above regarding Congressional dissatisfaction.)

TRANSITION PLANNING AND IMPLEMENTATION: METHODOLOGY

Pre-Election Politics to the Foreign Aid Message of March 22, 1961. The Congress, the political parties, the Presidential candidates, and the nation as a whole seemed to focus on foreign economic policy and, particularly, on foreign aid as issues for which solutions should be found in 1960-61. The sparks of dissatisfaction mentioned above needed only strong leadership to effect change.

Stevenson made 34 specific recommendations to President-Elect Kennedy in his foreign economic policy report delivered several days after the polls closed in November 1960. The basic thrust was to return foreign affairs leadership to the Secretary of State and to clarify and strengthen the positions of U.S. Ambassadors. Recommendation No. 4 read:

"To coordinate all our foreign aid programs, a Central Foreign Assistance Agency should be established with a Director appointed by the President and responsible to the Secretary of State; the agency should not, however, be located administratively in the Department of State."⁴

Stevenson's recommendations were actually a synthesis of his own thinking, as well as that of George Ball. On November 24, 1960, Ball was made chairman of seven task forces which were composed of leading consultants, economists, and scholars—many of whom had prepared earlier studies for President Eisenhower and/or Congressional committees. The task force reports were to be submitted by December 31 but were not completed until mid-January 1961.

Congress had placed on President Eisenhower responsibility for getting under way the Section 604 study requested. On June 2, 1960, he put the Bureau of the Budget in charge, although it was to make use of the resources of the interested agencies.⁵ The Section 604 study was reproduced in January 1961 and distributed on a limited basis within the government. Though it was most useful as a briefing document, it also served as a nudge toward an integrated foreign aid agency. The study was comprehensive in its description and analysis of the present agencies, programs, and legislation and included a brief history of government activity in the area. Its analytical sections examined the dis-

³Arthur M. Schlesinger, Jr. *Thousand Days* (Greenwich: Fawcett World Library, 1971) pp. 590-591.

⁴Extract from "Report to the Honorable John F. Kennedy—Summary of Recommendations from the Task Forces", Dec. 31, 1960, unpublished but available at OMB Library, Washington, D.C.

⁵Office of Management and Organization; four staff members led the team study to which five individuals were also detailed from principal foreign economic agencies: State, ICA, Commerce, Agriculture and the Treasury.

persal of foreign economic activities among more than a dozen major agencies; it also contained a short section and three groups of charts on alternative organizational arrangements which covered the major themes and patterns that had been advanced over the years for the reorganization of foreign affairs functions. These were: (1) alternative arrangements in the Executive Office of the President, (2) proposals for a separate foreign economic agency, and (3) consolidations within the Department of State. However, the Section 604 study contained no direct recommendations of its own.

The agencies directly involved in foreign aid activities and their leaders, were aware in the summer of 1960 that changes were coming. They began to carry out advanced planning and research so that the new administration would have, in convenient form, the best thought available to facilitate moving quickly to make changes desired. The various studies and reports were circulated and exchanged, and each author, in effect, sought allies elsewhere in the bureaucracy to support his point of view and his agency's interests. Edward W. Weidner gives a thorough picture of the multiplicity of studies and points of view and names, too numerous to be listed here, of the persons involved.⁶

Congressman Reuss, in 1960, succeeded in having included, in the Mutual Security Act, a provision requiring a study of the feasibility of a "Youth Corps" under the Point Four program. Late in 1960, ICA contracted with the Colorado State University Research Foundation to conduct the study. In January 1961, Kennedy set up a Task Force under Sargent Shriver to formulate a plan for the new undertaking to which he had become committed.

President-Elect Kennedy had to decide whom he would appoint to his Cabinet and to numerous sub-cabinet posts. Also prior to his inauguration, he was attempting to set the programmatic and policy course for his new administration. Since no new organization for foreign economic and foreign aid affairs existed, Kennedy decided to designate new leaders for the already established posts with the expectation of later shifting them into whatever new structures would be created. However, shortly after such new officials were designated, their points of view concerning organization frequently shifted to reflect the positions of the bureaucracy they were to lead. For example, while he was Under Secretary of State, C. Douglas Dillon had prepared a report recommending "that the EXIM Bank should be split in two, with its development loan activities transferred to the centralized agency and the National Advisory Council on International Monetary and Financial Policies (NAC) shorn of its

approval authority over development loans." On December 16, President-Elect Kennedy announced that his choice for Secretary of the Treasury was C. Douglas Dillon. The EXIM Bank and NAC recommendations were not included in Dillon's later draft.⁷ Two ICA officials, Warren Wiggins and William Josephson, dissatisfied with the outlook for the new foreign aid agency and interested in the concept, had prepared a draft proposal for a Peace Corps entitled, "A Towering Task." On reading it, Shriver was impressed and shortly thereafter Wiggins and Josephson were transferred to his preliminary planning staff. Almost immediately, they became strong advocates of an independent Peace Corps.⁸

The designations on December 15 of Orville Freeman as Secretary of Agriculture and George S. McGovern as Director, Food for Peace, on January 25 of Henry R. Labouisse as Director of ICA and Frank M. Coffin as Director of the DLF, and shortly thereafter of Harold F. Linder as President of the EXIM Bank and Sargent Shriver as Director of the Peace Corps did not serve to promote a compromise among the ICA-DLF-Agriculture-State points of view. Rather, the various meetings that George Ball convened with them to discuss foreign aid (after his appointment as Under Secretary of State for Economic Affairs on January 11 and the submission of his report entitled, "Report of the Task Force on Foreign Economic Policy") served to reopen all the issues once again. Accordingly, Ball decided that it would be better to have initial work done on a staff level instead of continuing negotiations with agency heads and Cabinet members. John O. Bell, Deputy Coordinator of Mutual Security in State, and his staff, therefore, were given responsibility for developing organization charts and proposals for consideration.

There were five principal problems regarding organization:

1. How would foreign aid be coordinated with foreign economic policy, military assistance, multilateral programs, and bilateral programs of other countries?
2. What would be the relation of the new foreign aid agency to the Department of State?
3. What would be the role of the Under Secretary of State for Economic Affairs relative to the new aid administration?
4. How inclusive would the consolidation of foreign aid agencies be?
5. How integrated would the new agency be, a mere holding company, a balanced functional-geographic approach, or emphasis on regions? (This is where the major battle was: technical assistance and social development versus loans)

⁶Weidner, *Prelude to Reorganization: The Kennedy Foreign Aid Message of March 22, 1961*, pages 46-76, The Inter-University Case Program, Inc., Syracuse, New York, 1969.

⁷Weidner, *ibid.*, p. 49.

⁸Weidner, *ibid.*, p. 123.

and the "bank"; and also Washington regional offices versus functional offices.)⁹

By his January Inaugural and State of the Union Addresses, President Kennedy, as a result of his own study, his task forces reports, and discussions with his White House Budget Bureau, and agency advisors, had committed his administration to a course of action for:

1. A new foreign aid program with new legislation.
2. A method for proceeding with the reorganization which looked to the Secretary of State through Ball to have the prime responsibility for making recommendations to the President (though the BOB and newly appointed officials such as Shriver, Freeman, and McGovern were to take initiatives in their respective areas).
3. Broad new policies that still needed definition at the level of program operation and organization were not clear as to exactly what would be included or how the new agency would be internally structured. Within the bureaucracy, three positions had emerged strongly: the DLF banking proposal, the ICA Cabinet-level unified agency approach, and the John Bell-Dillon suggestion for a stronger coordinating mechanism within State.

The first meeting of the National Security Council under President Kennedy assigned the responsibility for developing foreign aid reorganization recommendations to the BOB. This was to be expected given the Bureau's lead role in the section 604 study. However, George Ball had been appointed Under Secretary of State for Economic Affairs and had chaired Kennedy's Task Force. Therefore, given the lead role assigned to State for foreign affairs coordination and the staff resources available to them in John Bell's Mutual Security Coordination office, it seemed logical to the BOB Director, David Bell, that George Ball be charged with recommending a program for Presidential consideration. Accordingly, Bell passed the main initiative for reorganization to George Ball.

During February, the Ball-led group and John Bell produced four drafts of a "Growth for Freedom Memorandum" for the President which was discussed by a flexible group of senior staff members of the various agencies and of the BOB and White House who were very much divided along bureaucratic lines, reflecting the special background and interests of each agency (explained below) on legislation and funding as well as organization proposals. The draft was a compromise with respect to regional and functional office relationships and was based on some political assumptions about inclusions of the Peace Corps and Food for

Peace that had not been decided by Kennedy.

A meeting on March 6, chaired by Sorensen, revealed that there were still many reservations concerning the reorganization proposed in the paper, including:

1. Agriculture did not want to see its role confined to declaring surpluses and preparing them for shipment abroad.
2. McGovern reacted negatively, objecting to having his Food for Peace office buried several layers down.
3. Shriver emphasized that the Peace Corps had to be independent and not buried; he did not want it in the new aid agency.

The meeting did not resolve the fundamental differences. David Bell, prior to a March 13 date that was set for a meeting with President Kennedy, helped resolve several other basic organizational questions:

1. He attached the label "Resource Staff" to the functional offices, thus clearly indicating they would not be in the operational line of authority.
2. The Under Secretary for Economic Affairs would not be the direct boss of the new aid agency whose administrator would report directly to the Secretary of State and the President (G. Ball agreed).
3. EXIM Bank would not have its dollar development loan program transferred to the new agency but would accept policy direction on such loans from the new agency (Linder agreed).

President Kennedy's decisions at the March 13 meeting ratified the following:

1. The consolidation of ICA and DLF with strong regional assistant administrators, not quasi-autonomous functional units, excluding the EXIM Bank from AID but transferring its local currency lending activities.
2. That any changes in P.L. 480 would have to be handled by the Agriculture Committees of Congress and that the appropriation for it should not be in the aid bill; but he reaffirmed the central concept of unified country programs.
3. That McGovern's request for more power would be denied, but the President would accept a memorandum from him on where the Food for Peace office should be located.
4. That, for purposes of the Message, both the Food for Peace office and the Peace Corps, despite Shriver's preference for keeping the Peace Corps separate, would be considered a part of the new aid agency.

Implementing President Kennedy's Message. Accordingly, regarding organizational changes, in his March 22, 1961, Message on Foreign Aid to the Congress, President Kennedy proposed, "that our separate and often confusing aid programs be inte-

⁹Weidner, *ibid.*, p. 102.

grated into a single Administration embracing the present Washington and Field operations of:

A. The International Cooperation Administration (ICA) and all its technical assistance (Point 4) and other programs;

B. The Development Loan Fund (DLF);

C. The Food-for-Peace Program (P.L. 480) in its relations with other countries, while also recognizing its essential role in our farm economy;

D. The local currency lending activities of the Export-Import Bank;

E. The Peace Corps, recognizing its distinctive contribution beyond the area of economic development;

F. The donation of non-agricultural surpluses from other national stockpiles of excess commodities or equipment;

G. All other related staff and program services now provided by the Department of State as well as ICA."

During February, John Bell had written a memorandum to George Ball on "The Job Ahead." The first phase involved helping the President make decisions on new concepts of aid, funds to be requested, legislative proposals, and a new organization. However, the second phase concerned the follow-through. John Bell suggested that Ball chair a general strategy board with a general secretariat and five task groups. By March 22, the President had decided that he, rather than Ball, should appoint the task force to develop the implementation plan so that the White House staff would be in a stronger position to supervise the work, especially since it had been agreed that Ball would not have direct responsibility in the foreign aid field. Therefore, on March 22, Kennedy wrote to Labouisse, the ICA Director, appointing him to serve as chairman of the Task Force.

To carry out the principles for the new foreign aid program of the Kennedy administration, the President, the White House staff, and the Bureau of the Budget were determined that the March 22 Message should be taken as a "given." Before the many aspects of administrative transition to come later, two simple steps appeared to be required:

1. Develop detailed program and organizational plans for clearance with the various interested parties—mostly the foreign aid agencies and State, Defense, Agriculture, Treasury, BOB, and the White House, and

2. Prepare legislation for presentation to Congress, along with an accompanying Presidential message.

But the simplicity of these steps depended upon two major factors: (1) that no one reopen the decisions in the President's message, and (2) that rela-

tively few people be involved in the process to minimize the number of views and the buildup of contending forces. However, each agency that felt its point of view was not adequately represented in the President's message wanted to go around it. Also, others argued that many persons, both in and out of government, should be involved in the process in order that the best advice could be obtained and so that maximum support for the foreign aid program could be marshalled. The President, by creating a new task force under Labouisse, opened the door for renewed debate over the structure of the new foreign aid agency.

Both policy issues and bureaucratic and political contests for power lay behind the struggle over organizational structure. The Agriculture Department, White House Food for Peace Office, and ICA conflict over the PL 480 (Food for Peace) program involved questions of whether it was primarily an agricultural or foreign aid program. The argument over unified and strong regional offices and country desks for the aid agency headquarters, unified field missions, and field responsibility of the Ambassadors involved conflict with the Foreign Service and the traditional Department of State and also with the supporters of each functional aspect of foreign aid—loans, technical assistance, program assistance, etc. This argument also involved a decision as to whether foreign aid was temporary or a relatively permanent feature of U.S. foreign policy and whether aid should be geared primarily to those countries that could use loans. Similar implications were present in other organizational issues such as:

1. Should the Peace Corps be integrated into the new aid agency?

2. Where internally should the services involving research, planning, technical services, and development financing be located?

3. How should personnel, budget, and management services be provided?

4. What should be the relationships of the aid agency with the Department of State?

On March 26, Labouisse accepted President Kennedy's assignment as Chairman of the President's Task Force on Foreign Economic Assistance. He also outlined his concept of the job and suggested names for a Deputy and chairmen for three of the five sub-groups he proposed. He proposed John O. Bell for Deputy Chairman, Theodore Tannenwald for chairman of the group on Legislation and Congressional presentation, Frank Coffin for chairman of the Group on Program Development, and Don K. Price for chairman of the Group on Organization and Administration. Labouisse also suggested two other groups: one on recruitment and selection of policy-level personnel, and one on public support for the program. At the White House, Ralph A.

Dungan, who had previously served as Senator Kennedy's legislative assistant, was given the assignment for the next phase of the foreign aid reorganization. Dungan quickly arranged for a White House greenlight to Labouisse to proceed but felt that the proposed groups on executive recruitment and public support were ill-advised. A public support group might backfire if Congress felt that public funds were being used openly to influence its decision; furthermore, Mutual Security funds could not be used for this purpose. Strong White House action was needed on executive recruitment certainly, but Dungan did not believe that selection of top political appointees for the new agency could be given to a Task Force group, especially one under Labouisse who had not been definitely designated as part of the new permanent team. Tannenwald and Coffin readily accepted their assignments, but Don K. Price was not available. George Gant, of the Ford Foundation, was suggested in Price's place. Gant agreed to the assignment but indicated his participation would have to be limited to April, May, and June. John O. Bell accepted the job offered by Labouisse and made his staff of some 50 employees, built up over his years as Deputy Coordinator for Mutual Security, available. It became the headquarters for the Task Force.

Regarding Labouisse, the President had never made it clear whether he expected Labouisse to remain when ICA was superseded by the new agency. Many, including Labouisse, felt that the head of the Task Force should be the administration's choice to head the new agency in order that implementation could follow naturally, smoothly, and quickly. However, neither Labouisse nor the White House staff wanted to press the President for a decision, and so the matter remained unsettled.

To free himself for full time work as head of the Task Force, Labouisse decided to delegate responsibility for operating ICA to Dr. D. A. Fitzgerald, the Deputy Director for Operations. On March 30, the President sent a memorandum to the heads of State, Treasury, Defense, Agriculture, BOB, the Export-Import Bank, DLF, Peace Corps, and Food for Peace in which he announced the appointment of Labouisse as chairman of a Task Force "to work on the problems of transition from existing programs of foreign aid for economic and social development to the new approach outlined in my message to Congress of March 22, 1961."

EFFECTS OF THE REORGANIZATION

The following section: (1) summarizes the intended effects of the reorganization, (2) describes the actual effects, intended and otherwise, and

(3) discusses the factors that were responsible for the actual effects.

What Were the Intended Effects? President Kennedy's March 22, 1961 Special Message to Congress on foreign aid stressed the role of the United States as leader of the Free World with these concluding words, "For we are launching a Decade of Development on which will depend, substantially, the kind of world in which we and our children shall live." Its theme was the need for change in program, organization, legislation, and personnel. The reorganization aimed at basic programmatic changes and not just label changes or the shifting of boxes on organizational charts. The changes involved organizational aspects at several levels of the many agencies concerned. These changes were closely interwoven with the program and legislative aspects of the objectives sought.

The objectives sought through reorganization were based on a new set of basic concepts and principles. They included:

1. Consolidation of the foreign aid agencies to provide unified administration and operations with a single agency in Washington and in the field in place of several competing and confusing aid units,

2. Foreign affairs leadership and coordination by the Department of State, with authority for the conduct of activities which advance our foreign policy objectives vested in the President or other officials primarily concerned with foreign affairs, and international activities of domestic agencies to be clearly either: (a) necessary extensions of their normal domestic missions or (b) undertaken on behalf of, and in support of, programs and objectives of the appropriate foreign affairs agencies,

3. Stimulation and response to country programs involving a carefully thought through program tailored to meet the needs and resources potential of each *individual country* (instead of a series of separate unrelated projects), long range economic development plans with centralized coordination of programming, and special attention to those nations most willing and able to mobilize their own resources, make necessary social, fiscal, and governmental reforms, and other efforts to reach self-sustaining growth,

4. Provision of a flexible set of foreign aid tools, long-term (at least five years) authorization for the new aid agency, borrowing authority from the U.S. Treasury in order for the new aid agency to make long-term loans repayable in dollars, supporting assistance for strategic purposes, development grants chiefly for human resources development, an expanded Food for Peace program, and Peace Corps Volunteers,

5. Provision of systematic research to improve

the effectiveness of U.S. assistance efforts,

6. Drawing on the financial and management assets of private enterprise through broader guarantees and investment surveys,

7. Mobilizing free world aid sources by coordinating multilateral programs, increasing amounts of aid, and lengthening commitments, and

8. Separation of economic and social development assistance from military assistance by proposing a separate authorization bill for military assistance, requesting appropriations for military assistance as part of the Defense budget, and providing coordination within State for military assistance with the economic assistance policies.

What Effects, Intended and Otherwise, Were Actually Experienced? The effects of the reorganization are summarized below, in terms of (1) objectives met and the reasons therefore, and (2) objectives not achieved and why they were not.

Objectives Met and Why. As discussed above, Kennedy established "The President's Task Force on Foreign Economic Assistance" to develop the legislation, and the organizational and administrative plans for implementing his Message to Congress of March 22. The task force, chaired by Henry Labouisse, set up a subgroup for each of these three principal areas. In less than two months, a tremendous amount of detailed work was concluded by the task force, its sub-groups and the experienced staff of DLF, ICA, State, and BOB whose knowledge and background contributed greatly to the overall results. Thus, on May 26, 1961, President Kennedy was able to send their work forward and write to Congress, "Transmitted herewith for consideration by the Congress is a draft of a bill which would carry out the principal recommendations set forth in my message on foreign aid of March 22, 1961 . . ." He stated that the Bureau of the Budget had conducted a study, as required by Section 604 of the Mutual Security Act of 1960, and prepared a report. He added that the second requirement that the President shall include his findings and recommendations resulting from such study in his presentation of the FY 1962 program to Congress was being met by this message and the accompanying program materials and organization plan being submitted. More than half the message dealt with the organization and administrative aspects of AID which had been assigned to the George Gant Group.

Congress responded in a relatively short time by passing the Foreign Assistance Act of 1961, which Kennedy signed on September 4.¹⁰ It gave the President most of the authorities he requested, in-

cluding a new basic act to supersede the Mutual Security Act of 1954. More particularly, the Act recognized the need for longer term development loans by providing a five year authorization for lending authority. The loan funds were authorized to be appropriated annually within limits set but could continue to be available until expended; that is, they become "no-year" funds. In effect, Congress supported the "new look" in foreign aid stressed in the political campaign and the studies made by its own committees for more emphasis on development loans, self-help, long-term country plans, and social, fiscal, and governmental reforms by the aided nations.

Congress did not spell out details but gave the President full discretion on organizational matters, except for the number and grades of statutory officers and the location of the Office of Inspector General for Foreign Assistance (see explanation below). Kennedy carried out most of his organizational objectives by:

1. *Creation of AID.* Section 621 of the new FAA gave the President full authority to delegate the operations of the program to any U.S. agency. Of course, the presentation spelled out for Congress the President's intent to create AID within the Department of State. On November 3, 1961,¹¹ President Kennedy formally delegated to the Secretary of State most of his functions under the FAA, except for specified reserved or otherwise delegated functions and certain operating functions of the military assistance program delegated to the Department of Defense. On that same day, State Department Delegation of Authority No. 104 was issued. Although the Executive Order and Department of State Delegation establishing AID were not formally issued until later, the President on September 30 signed the Foreign Assistance Appropriation Act and directed the Secretary of State to create AID. Besides creating AID, the Executive Order provided for transfer to AID of officers, funds, and records of ICA, DLF, and the local currency lending function of the EXIM Bank. ICA and the corporate DLF were abolished on November 3 under the FAA Section 621(b), which permitted them to exist for up to 60 days after September 4, the effective date of the FAA, in order to facilitate the transition and to permit the issuance of the necessary Executive order creating the new agency.

The President, meanwhile, had appointed Labouisse to a diplomatic post and brought into AID, as its first Administrator, Fowler Hamilton.¹² On

¹¹Executive Order No. 10973, (26 F.R. 10469).

¹²Some of those interviewed stated that the White House felt that Labouisse was not ruthless or tough enough and was too much of a gentleman to give the new agency the impetus they wanted; Hamilton was a brilliant lawyer from New York and had

¹⁰P.L. 87-195, 75 Stat. 424.

September 30, 1961, AID/Washington Notice No. 1 was issued by Fowler Hamilton to all officers and employees of ICA and DLF notifying them of the creation of AID and authorizing them to exercise their functions under the FAA of 1961 in behalf of AID. He concluded by saying:

"Therefore until these agencies are abolished all employees continue as employees of ICA and DLF in their current positions and titles, and functions of officers remain unchanged, unless otherwise specified."

This AID organizational structure created in 1961, though modified in some details from time to time over the past 13 years, has, in the main, endured and outlasted by far any of its predecessor organizations.

2. *Internal AID Reorganization.* Regarding internal organization of the new agency, the Gant Group on Organization and Administration of the President's Task Force on Foreign Economic Assistance succeeded in achieving its basic goals:

a. Strong regional offices with "line" authority over the country missions in the field were created.

b. Veto power over projects and programs previously exercised by the functional offices was eliminated.

c. Functional offices were converted to resource units.

d. Development financing was integrated into the regional units, but a central review was retained through a Development Loan Committee chaired by the AID Administrator.

The fact that DLF had a small but very competent staff and that creation of loan units in each expanded AID regional office created more loan positions than there were trained personnel available to fill them facilitated the successful integration of DLF into AID. The most dissatisfied personnel were the ICA functional, technical assistance specialists whose power and influence had been curtailed. The Kennedy administration thrust for development and major emphases on Latin America and Africa required strong regional internal AID organization to coordinate all available flexible foreign aid tools and to support self-help efforts of individual country programs, long-range development, and economic and social growth goals. Therefore, the basic concepts of the administration's AID reorganization were put into effect and, during subsequent years, were deemed to be working effectively by most evaluators and observers.

3. *Foreign Affairs Leadership and Coordination by the Department of State.* The Foreign Aid Act (FAA) of

the advantage of coming from outside the government, thus representing the new leadership that was being sought.

1961 and resulting Executive Orders, plus the President's letter to Ambassadors of May 1961 (strengthening their country-team leadership role), gave the State Department basic authority to lead and coordinate foreign aid efforts. The AID Administrator was given Deputy Under Secretary rank and reported directly to the Secretary of State and the President. Authority ran from the Administrator to the AID Assistant Administrators of the four regional bureaus and, through the Ambassadors, to the chiefs of AID missions overseas. The four AID Assistant Administrators had equal rank with the geographical Assistant Secretaries of State and worked closely with them, though the extent of collaboration varied somewhat from one area to another depending on the personal relationships developed between the corresponding staffs. Congress agreed with the Administration on the desirability of State coordination of military and economic assistance as a key element for integrated country programming. The administration's support for more integration in the field left approaches open that could lead to more integration, eventually, in Washington. Separatism of State's Foreign Service and their disinterest in AID's operational problems, plus the personal styles of Secretary Rusk and State top officers, however, did not provide the stronger leadership and coordination that was sought by the reorganization.

4. *Flexible Set of Foreign Aid Tools.* Congress gave the President five year authorization for loan funds, subject to annual appropriations. Supporting assistance, development grants, an expanded P.L. 480 Food for Peace program, the Peace Corps, and broader authorities for the use of guarantees and investment surveys for private enterprise were all authorized. Thus, the administration did get most of the tools it requested and was able to adapt them to the diverse country situations. Comprehensive individual country plans and programs were developed (sometimes perhaps more by the AID mission than the country itself). The President's emphases on self-help, national plans, and country and regional longer range programs were realized in most cases.

5. *Provision of Systematic Research.* The research and planning assistance function was given recognition and visibility through the creation of a separate resource office and by specific authorization in FAA Section 241. Because assistance to other countries in the development planning area was a very sensitive matter, many of the key advisors on the reorganization felt that such a separate office in AID was needed for research on the process itself. Also, it would be desirable to collect and evaluate prior experiences (such as those of the Harvard University advisory groups to Iran and Pakistan, and Ford Foundation staffs in other countries). The Gant

Group felt strongly that each host country should determine its own needs with the help of private organizations it might select but that a central AID unit should exist for research and evaluation purposes.

6. *Mobilizing Free World Aid Resources.* An International Development Organization Staff was created within AID, reporting directly to the Administrator. It worked closely with the State Department, the UNDP, the Organization for Economic Cooperation and Development (OECD) in Paris, the World Bank, and with Regional Development Banks that were stimulated by the increased world attention and interest in economic development. Congress included, in the FAA, a Chapter 3 which provided general authority and funding for expanded multilateral activities.

Objectives Not Met and Why. On balance, most of the program and reorganization objectives of the administration's transition from ICA to AID were met. As discussed below, however, some of the proposals made to Congress were not provided for in the Foreign Assistance Act. Also, the President changed his mind regarding some of the proposals he had made in his March 22 Message and dropped them from his final recommendations in May. The draft legislation and the program presentation document which Kennedy sent to Congress on May 26, 1961, after the Labouisse task force had completed its work, reflected basically the "second thoughts" of the President and his advisors that more funds would be provided by not consolidating all the organizations, since "more spigots" for aid, would, therefore, be available and greater political support for the program would be obtained. Of the specific objectives sought in March and summarized above, only the separation of economic from military assistance was completely dropped. The organizational changes originally sought, that were omitted by the President, are detailed below. Congress basically denied the administration three legislative changes initially sought.

1. *New Legislative Objectives Not Met.* The draft legislation submitted in May contained two proposals which Congress did not accept. The administration dropped a third proposal upon realizing that the House leadership was strongly opposed to it. These three (initially desired) proposals were:

a. The five year borrowing authority for development loans. Instead the new Act provided a five year authorization for annual appropriation of no-year funds.¹³ By denial of the borrowing authority requested, Congress reasserted its "control of the purse" prerogative, and expressed its dislike of the Executive Branch using "back-door financing" for programs to escape reviews by the appropriations committees.

Recognizing the time required to properly evaluate loan projects and country programming needs, Congress, however, provided that long-term loan commitments may be made by the President against authorized but not yet appropriated funds "subject only to the annual appropriation of such funds."

b. The transfer of the Inspector General and Comptroller from the Department of State to AID, which the President had proposed, also was rejected by Congress. Instead, it established an "Inspector General, Foreign Assistance" as a statutory officer.¹⁴ This officer reported directly to the Secretary of State rather than to an Under Secretary, as under the Mutual Security Act. The House Committee on Foreign Affairs stated its reason for this arrangement:

"One of the major problems which has confronted the Secretary of State in connection with the aid program has been that information as to the shortcomings has not penetrated to him until too late for proper preventive or remedial action."

c. The separation of economic and social development assistance from military assistance. Instead of the original two bills anticipated, the draft FAA was submitted to Congress in May as one bill with military assistance provided for as Part II. The White House approached the leaders of the House and Senate to obtain initial Congressional clearances of two separate bills only four days before the proposed new legislation was to be submitted to Congress. The leaders expressed their feeling that they had been left uninformed about the work of the Labouisse task force and the administration's views. Speaker of the House Rayburn, the most powerful man in Congress, declared flatly that the administration's plan to separate military and foreign aid in different bills was completely unacceptable. He could not take responsibility for getting the measures through the House in the form of two bills. Much of the Congressional support for foreign aid was tied to the fact that it contributed to U.S. international security. The attitude was "take that argument away, and the rest of the foreign aid program was a sitting duck." This was a rude shock to the administration's concept of separating military and economic assistance programs, to which it had been committed even before assuming office. But, in view of the strong opposition, the White House had no alternative except to combine the two proposed bills into one and to drop its objective.

2. *Organizational Objectives Not Met.* Four of the organizational consolidations into the new agency

¹³ Foreign Assistance Act of 1961, Title I, Chapter 2.

¹⁴ Foreign Assistance Act, Section 624(e).

sought in March were not in the administration's May presentation to Congress. These omissions reflected new decisions on the part of the President. They involved:

a. *The EXIM Bank Dollar Loan Function.* The EXIM Bank, as an organization, was left out of the consolidated new aid agency and retained its dollar development lending function basically because Kennedy and his advisors concluded that, in total, more money would be forthcoming from Congress. Also they felt that the EXIM Bank's politically strong supporters in and out of Congress might be alienated if the Bank was abolished.

b. *The National Advisory Council on International Monetary and Financial Policies (NAC).* The NAC, composed of the heads of Treasury, State, Commerce, EXIM Bank, and the Federal Reserve System, had been created by law in 1945. Development loans would be subject to NAC review unless the legislation would abolish the NAC as the Gant task force believed desirable. The task force wanted to abolish the NAC and transfer its functions to the State Department in line with State's expanded role in coordinating foreign affairs. Dillon, who had favored the idea while he was Under Secretary of State, was now, however, Secretary of the Treasury and Chairman of the NAC. He thought retaining the existing NAC would be useful politically as it would help toward Congressional acceptance of the administration's proposal for borrowing authority from the Treasury for development loans. Congress looked on the NAC as an additional watchdog to help insure that borrowed money would be properly used. Therefore, the White House and Budget Bureau decided to retain the NAC for political reasons, and no mention of it was included in the proposed FAA legislation.

c. *The Food for Peace (PL 480) Program.* The program included: (1) the general public relations and coordination functions for the office in the White House headed by George McGovern, (2) the Department of Agriculture, sponsor of the program, before the Agricultural Committees of Congress which authorized and funded it, and (3) the new aid agency responsible for integrating the PL 480 food resources into the individual foreign country programs. Although the task force favored moving McGovern and his coordinating function to the new agency, plus giving his function a stronger overall role, McGovern wanted to remain organizationally in the White House, where he would be more highly visible politically. The pressure of the Agriculture Department to retain its major policy influence in the program strengthened McGovern's hand as the coordinator of interagency interests. Secretary of Agriculture Freeman saw AID as a plan-

ning and coordinating body with agricultural operations and technical assistance responsibilities turned over to USDA. Labouisse outlined to the White House the task force position that unified country programming was at stake and that lack of responsibility for the Food for Peace program would handicap AID in carrying out its function. Given the strong position taken by Secretary Freeman, and the desire of the agriculture committees in Congress to retain PL 480 controls, plus the political desirability of keeping McGovern's office in the White House, the Budget Bureau and Ralph Dungan recommended to the President that he not push on this consolidation, even though it was in his March message and the task force wanted it. Accordingly, the status quo was allowed to remain "fuzzed up" without spelling out explicitly the roles of each party concerned. Also, the final Gant reorganization plan for AID provided for an "Office of Commodity Assistance" to replace the previously proposed office title of "Food for Peace." This new office would maintain liaison with the McGovern Food for Peace office in the White House. To further country programming of the PL 480, Titles I, II and IV in the final draft provided that "AID would handle these in accordance with approved country programs but would do so together with the Department of Agriculture."

d. *The Peace Corps.* The Peace Corps had been established as a separate organization on March 1, 1961¹⁵ on a temporary basis (under the Mutual Security Act within the Department of State). On March 4, the President appointed his brother-in-law, Sargent Shriver, as Director, to coordinate planning for the new idea. The Foreign Aid Message to Congress of March 22 included the Peace Corps as one of the units of the proposed new agency. However, two days later, Shriver informed the White House and the Budget Bureau that he wanted a separate authorization bill to obtain legislative approval more quickly.

In mid-April, the Labouisse task force sent a memorandum to the President in an attempt to resolve the organizational question of the Peace Corps relationship to the new agency. The task force assumed the Peace Corps would be one of four principal resource units and that the concept of unified country programming required its inclusion under AID. Labouisse proposed that the Peace Corps would have its own separate name and that its Director would have the status of an Assistant Secretary. It would have high visibility in AID and substantial independence. Also, it would be authorized in a separate title of the legislation creating the new agency.

¹⁵E.D. No. 10924 (26 F.R. 1789).

For his part, Shriver, on April 21 (just before departing for an overseas trip), took three actions: (1) he sent a letter to Labouisse, with copies to the President and Dungan, asking that nothing be done to jeopardize the PC independence while he was gone; (2) he sent a memorandum to the President outlining the PC position, which amounted to a request for a quasi-independent agency within the State Department, and (3) he asked Wiggins (his right-hand man) to turn to the Vice President, Lyndon B. Johnson, for help, if needed, while Shriver was away. Ralph Dungan, on receiving these memos and Bureau of the Budget views, called a meeting on April 26 to discuss the PC status. At the meeting Wiggins, representing the traveling Shriver, was outnumbered and out-ranked.

After lively discussion, Dungan and the Bureau agreed with the Labouisse position and decided to recommend that position to the President. Wiggins then politely said he would have to let Shriver know about, and protest, the decision. He sent a long cable to Shriver and also asked Bill Moyers to contact the Vice President.

On May 1, Labouisse tried to see the President to present the case for support of the White House decision, but the appointment could not be arranged. However, that evening, the President and Vice President met with Sorensen and Goodwin and discussed the Peace Corps issue. Kennedy agreed with Johnson to separate status for the Peace Corps on the grounds that it was a new agency and needed operational independence. The President made this decision without having seen Labouisse or his memo and without talking to Shriver about it. The next day Dungan informed the Secretary of State (with copies to all the others) of Kennedy's decision and stated that separate legislative authorization and appropriations would be sought for the Peace Corps.

3. *Personnel Objectives Not Met.* An important additional general objective of the reorganization that was not fully realized was the attraction of professional personnel of high quality to the new agency. Without long term authorization for AID, annual authorizations and appropriations continued to be required, and personnel could not have career assurances. The basic personnel issue regarding the long term status of staff also remained unresolved, and AID personnel, both overseas and in Washington, frequently felt themselves to be "second-class" citizens in the foreign affairs community. Shortly after AID was established, the White House led a recruitment effort among the business community (labeled "Operation Tycoon" by many of the

bureaucrats) that brought in about 25 new top executives, mostly for Mission Director positions overseas. Within a few years most of them had left AID and the government. Though, as a group, they performed adequately, they were generally not distinguished or outstanding.

LESSONS LEARNED ABOUT THE ORGANIZATIONAL CHANGE PROCESS

In general, the foreign aid program transition from ICA to AID has been regarded as a successful reorganization. The resulting basic structure has lasted for many more years than any of its predecessor organizations or components. The principal participants, as well as outside evaluators, have concluded that the broad objectives of the Kennedy administration that stimulated the reorganization were largely met. From this case, a number of specific examples may be cited that appear to illustrate general principles or lessons regarding the organizational change process.

Limited Organizational Changes Most Likely to Succeed. President Kennedy initially aimed at consolidation and coordination of all the U.S. foreign aid programs under the Secretary of State. ICA and DLF were merged successfully and integrated into the internal structure of AID. However, the Peace Corps, the Food for Peace program, and the EXIM Bank, through their leaders and political supporters, succeeded in convincing the administration that they should not lose their separate identities and be consolidated into AID. Kennedy and his advisors recognized that achievement of a more limited organizational change was more essential, possible, and practical than pushing for their original total objective. Elimination of the NAC and transfer of its functions to State also was dropped to avoid stirring up Treasury and Congressional opposition to the overall plans, which were considered much more important than changing the NAC. As a general lesson, acceptance of half-a-loaf, in terms of all organizational change objectives sought, is often better than failing completely by attempting too sweeping changes all at one time.

Newly Appointed Agency Heads Quickly Become Advocates for Agency Interests. Presidential and other top level political appointees, soon after entering on duty, tend to identify more completely with their new agency than with the President or their old agency. Therefore, the President can achieve desired organizational changes, more readily, in agencies while they are headed by an acting head than if politically active and powerful supporters have been appointed. For example, Ex-Governor of

Minnesota, Orville Freeman, upon appointment as Secretary of Agriculture, strongly urged a more active role for his Department in the foreign aid program and succeeded in keeping the major responsibilities for the P.L. 480 program under his Department. Also, as Secretary of the Treasury, Dillon became chairman of the NAC; he soon opposed its abolition and transfer to State, although he had recommended just that when he served as Under Secretary of State and Mutual Security Coordinator.

Timing and Timeliness of Initiatives for Change Are Most Important. Organizations, once operating, tend to have an inertia of their own to keep on doing what they have been doing in generally the same way until a time when they are no longer in tune with their current environment. Then criticism and dissatisfaction sets in, and new political leaders tend to promote new program emphases to meet the new needs. The changed world situation by 1960, with rising expectations for development, gave Kennedy the timely opportunity to call for a new era and the "New Frontier." Congress too had called for the Section 604 Study and asked for Presidential recommendations. Thus new proposals had to be presented and the calendar deadlines for legislative authorization bills and appropriations provided spurs for the reorganization efforts that led to AID. One might say that, in 1961, most of the factors affecting the U.S. foreign aid program converged and were conducive to change.

Top Level Leadership and Stimulation Needed. Since foreign affairs and foreign aid operations involved State and other Cabinet Departments, the President himself and his top White House and Budget Bureau advisors had to be deeply involved in the reorganization planning as well as its implementation. They were deeply involved, and their objectives were largely met. The Budget Bureau 604 study also referred to the informal leadership of the foreign economic affairs community as "the lodge." It consisted of the heads of agencies, their deputies and assistants, and Presidential assistants. They were those that made decisions, frequently in private, which formed the basis for interagency relations. For example, the President's message of March, the Labouisse Task Force, the Budget Bureau and White House staffs had all recommended that the new Peace Corps should be part of the new AID agency. However, Vice President Johnson, as chairman of the PC Advisory Committee, got through to Kennedy in private one evening in May. He persuaded the President to reverse the plan and to authorize a quasi-independent organizational status for the Peace Corps, "within State."

Continuity of the Reorganization Planning and Im-

plementation Is Essential. In this case, the initial Stevenson Task Force report on foreign affairs changes was a great stimulus to President-Elect Kennedy. But the shifts later to the Ball Task Force, then to the staff level effort of John O. Bell, followed by the Labouisse Task Force resulted in greater delays and the reconsideration several times of previously arrived at decisions. If Kennedy could have decided on his new selection as AID Administrator sooner and placed that person in charge of the reorganization, the process would have been smoother, more efficient and productive. In fact, on October 16, 1961, shortly after he had become the first AID Administrator, Fowler Hamilton found it necessary to issue a memo to the ICA and DLF Executive Staff enforcing internal administrative discipline to curb the development of a number of organizational proposals that challenged the plan developed by the President's Task Force. The shift from Labouisse to Hamilton had provided another opportunity for some individuals to question decisions that had been made previously.

Congressional Clearance and Public Support Factors Are Important. In this case, recommendations were designed so as not to antagonize the separate Congressional committees that supported the PL 480 Food for Peace Program and the EXIM Bank functions. However, one error was made in planning the separation of military assistance from economic assistance legislation and appropriations without first consulting Congressional leaders. Just a few days before the President's May 26 Message was due, the tardy consultations revealed such a strong adverse reaction on the Hill that the administration dropped the separation plan. Executive agencies build up relationships with specific Congressional committees, and it is very difficult to reorganize agencies successfully in a way that will result in changes in committee jurisdiction. Besides the Congressional aspects, the public reaction to changes being considered and particular attention to informing all appropriate key public support sectors is a prime element in achieving ultimate reorganizational success. One of the most important "publics" are the personnel who will be directly affected by the changes. If they are adequately informed, they react more favorably and maintain a higher morale; this is a positive factor in any change effort.

Adequate Planning for Personnel Change Is Essential. Regarding this factor, the ICA to AID transition was not as successful as it might have been. Leadership for the new agency was not chosen early enough. There were doubts about the existing staffs, and special authority was contained in the FAA (Section 621 (d) authorizing the termination

of ICA employees, notwithstanding any other provision of the law, who were not transferred to AID on November 3 when ICA was abolished). This attempt to "get rid" of unwanted employees backfired, caused many appeals and low morale, and, in the final analysis, did not succeed in terminating very many employees. One lesson learned was that much more attention must be given to finding alternative placements or retraining existing staff to assume new functions to facilitate reorganizations. Arbitrary management actions concerning personnel not understood or accepted by employees are not worth the effort. The basic issue of the future status of AID employees in relation to the Foreign Service was not resolved satisfactorily and has continued, over the years, to cause dissatisfaction.

Program Methods Changes Have Extensive Effects on Organization. How a program actually will operate makes a great deal of difference as to how many and what kinds of personnel are needed as well as how the agency should be organized. The emphasis on long-term programs not only contributed greatly to setting AID up as a separate agency within State for coordination of policy objectives but also to the decision to insulate AID as much as possible from the short-term political objectives of State. DLF staff were all stationed in Washington; the agency did not use a field staff or missions abroad as ICA did. The shift of ultimate program control to regional offices with their country program emphasis reduced greatly the previous role of the ICA technical specialists. Certain regional offices decided to operate in the field with "direct hire" employees instead of "contracting out" for technical assistance as others did; therefore, the organization, kinds, and numbers of employees needed varied considerably from one region to another. To the extent that an agency operates on a "retail" rather than a "wholesale" basis, its general structure of management support functions will be extensive or simple. It takes many fewer professional and support employees—organized differently—to handle ten large \$50 million program loans, for example, than 100 technical assistance projects each averaging only \$1 million or less.

Transition Phases from Existing to Reorganized Entities Are Required. Ongoing activities must be continued by those familiar with them until a determined date when they either end or are taken over by a specified new entity. The interrelationship of changes in program planning, legislation, organization, budgets, personnel, operating methods, space requirements, records, and many other aspects need to be spelled out and communicated to those who must carry out the activities. Internal new agency regulations, delegations, policy and procedural instruc-

tions need to be developed or revised and issued. There needs to be some top authority, definitely in charge, to monitor and enforce the planned changes and to provide continuity over the extended time period required for any major reorganization. Reorganizations require not only careful and sound planning but also skilled execution and adequate time for implementation.

CHRONOLOGY OF KEY EVENTS

- 2/2/34 EXIM Bank created by E.O. 6581.
(Bank's local currency lending functions transferred to AID 11/3/61).
- 12/27/34 IBRD, IMF, and NAC officially came into existence on signature by 28 Governments of Bretton Woods Agreements. U.S. adherence authorized by 59 Stat. 512.
- 7/10/54 Agricultural Trade Development and Assistance Act enacted, (P.L. 480), 68 Stat. 454.
- 7/1/55 ICA created by Dept. of State Delegation of Authority No. 85 pursuant to E.O. 10610, which abolished F.O.A. as directed by Mutual Security Act of 1954. (ICA abolished and consolidated into AID on 11/3/61 by Sec. 621 (b) of FAA of 1961).
- 8/14/57 DLF originally established within the ICA by the MSA of 1957, 71 Stat. 355. (In 1958 DLF was given independent status as government corporation by the MSA of 1958, 72 Stat. 201. DLF abolished and consolidated into AID on 11/3/61 by Sec. 621 (b) of FAA of 1961).
- 7/24/59 Inspector General and Comptroller for Mutual Security established within State Department by Sec. 533 A of MSA of 1959. (It was superseded by the Inspector General, Foreign Assistance created by Sec. 624 (e) of FAA of 1961).
- 5/14/60 Sec. 604 of MSA of 1960 required the President to have a new study made of U.S. foreign economic activities with findings and recommendations to be reported in 1961. Also, Sec. 307 of the same Act required a study and report on the Youth for Freedom concept, later to become the Peace Corps concept.
- July 1960 Task Force on Foreign Economic Policy chaired by Adlai E. Stevenson set up by Presidential-Nominee Kennedy only a few days after his nomination. (Reported to President-Elect Kennedy on Nov. 14, less than a week after the Nov. 8, 1960 election).
- 12/15/60 Director of the Food for Peace Program established within Executive Office of the President and George S. McGovern designated.
- 1/20/61 President John F. Kennedy inaugurated.
- 3/1/61 Peace Corps initially established on temporary basis as an agency in the Department of State by E.O. 10924. (Peace Corps Act signed on 9/22/61 (P.L. 87-293), 75 Stat. 612.).
- 3/22/61 President Kennedy's Message to Congress on Foreign Aid.
- 3/31/61 President's Task Force on Foreign Economic Assistance established and Henry Labouisse appointed Chairman.
- 5/26/61 President Kennedy's Message to Congress proposing draft FAA legislation and his detailed FY 1962 Request and Program.
- 5/29/61 President Kennedy's letter to U.S. Ambassadors strengthening and defining their role.

2061

- 9/4/61 Foreign Assistance Act (FAA) of 1961 enacted (PL 87-195), 75 Stat. 424. (It authorized creation of AID by Executive order).
- 9/30/61 Foreign Assistance and Related Agencies Appropriation Act for FY 1962 signed (PL 87-329), 75 Stat. 717.
- 9/30/61 AID established by Secretary of State Rusk in the Department of State pursuant to authority delegated to him by President's letter of the same date issued

simultaneously with signature of the Appropriation Act and pending formal Executive Order to facilitate transition from existing organizations to AID. (This delegation was superseded by State Department Delegation of Authority No. 104 on 11/3/61 upon issuance that day of E.O. 10973—containing Sec. 102 directing the Secretary of State to establish AID. Delegation No. 104, Sec. 7 (d), although signed on 11/3/61, stated it "shall be deemed to have become effective on 9/30/61").

The President's Task Force on International Development, 1969-70

by Leland Barrows

INTRODUCTION

This case illustrates the use of an *ad hoc* committee of private citizens to examine, evaluate, and make recommendations for changes in a major government program—foreign assistance.

Need for a Review of Foreign Aid. In 1969, there was especial need for such a comprehensive review. Foreign aid is one of several programs involving a substantial commitment of government funds which grew out of the Second World War. It has involved the expenditure of billions of dollars and enjoyed a remarkable continuity of program and personnel; yet it has never been recognized as a permanent activity of the United States government. Each year the President must request and the Congress must vote a new authorization extending the life of the program, as well as a new appropriation. There is always strong opposition to foreign aid, but for years a series of Presidents has succeeded in winning approval for the program. This has required a considerable political effort by the administration in power, and it became common to speak of the "annual foreign aid battle". For a variety of reasons, moreover, opposition to foreign aid had grown by 1969, and support for it had weakened to the point that many supporters of foreign aid began to doubt that the annual battle could long continue to be won.

The advent of a new President and the change of political party in the White House was an added reason for a comprehensive examination of foreign aid. Whatever its form or immediate purpose, foreign aid is an instrument of foreign relations, and, therefore, peculiarly a Presidential instrument. It is only to be expected that a new President will reorient the aid program to fit his foreign policy goals and his judgment as to the best use of national resources and his own political capital. In 1969, moreover, the President was faced with a formal

Congressional request, the Javits Amendment to the Foreign Assistance Act of 1968, that he make:

"... a thorough and comprehensive reappraisal of United States foreign assistance programs ... and to submit to the Congress on or before March 31, 1970 his recommendations for achieving such reforms in and reorganization of future foreign assistance programs as he determines to be necessary and appropriate in the national interest in the light of such reappraisal".¹

Use of a Presidential Commission. The Amendment, as proposed by Senator Jacob K. Javits and approved by the Senate, would have required the appointment of a formal review committee composed of four representatives of each house of Congress, four representatives of the Executive Branch, and four private citizens. As passed, it did not expressly require the use of an outside committee. There was ample precedent, however, for turning to a high-level outside group. According to one estimate, 13 previous commissions had examined foreign assistance since 1950, not counting a large number of private and international studies. While these groups were generally described as intended to improve the efficiency and effectiveness of foreign aid, they were equally expected to mobilize public and Congressional support for foreign assistance and give the program new life.

Among the more recent Presidential Commissions studying foreign aid were the committee of ten citizens headed by General Lucius D. Clay, which was named by President Kennedy and which made its report in March, 1963, and the twenty-man committee headed by James A. Perkins, which was named by President Johnson in 1965 and filed its report in October 1968. The Presidential Mission for the Western Hemisphere, headed by Governor Nelson Rockefeller in 1969, included recommenda-

¹ *Foreign Assistance Act of 1968*, P.L. 90-554, 82 Stat. 960, approved October 8, 1968, Sec. 502 (a).

tions on foreign aid. There were private studies, such as one by the National Planning Association and one by the Association of State Universities and Land Grant Colleges, worth noting because they, like the Rockefeller Report, had some impact upon Task Force thinking or the attitude of the President toward the problem. So also did several international studies, notably the report of the commission headed by former Prime Minister Lester Pearson of Canada, entitled "Partners in Development". In the circumstances, naming a Presidential commission of private citizens to review foreign aid no doubt seemed the most obvious, best, and, perhaps, the inescapable course to follow.

The Parallel On-Going Administration of Aid. The President did not move immediately, however. He left preparation and presentation of his first foreign aid request, for F.Y. 1970, to regular agencies of government. In April, 1969, he named as Administrator of AID, John Hannah, President of Michigan State University, a man with extensive experience and great personal interest in foreign aid, particularly technical assistance, and chairman of the Land Grant University study committee on foreign aid which released its report in January, 1969. It was not until September, 1969, that the President announced the creation of the Task Force on International Development, under the Chairmanship of Rudolph A. Peterson, President and Chief Executive Officer of the Bank of America. The President made it clear that he expected the task force to take an independent look at the foreign aid organization and program and admonished it to beware of the influence of the bureaucracy. At the same time, the newly-appointed AID Administrator, John Hannah, represented the President in management of the program and in its presentation to Congress. The President thus had two channels through which his views could be brought to bear upon the foreign aid program and two high-level sources of advice on its use. The relations between Peterson and Hannah, although cordial, were not close and did not provide effective coordination between the continuing aid program and the ad hoc task force. Nor did guidance from the President provide such coordination.

HISTORICAL CONTEXT

President Nixon's First Message on Foreign Aid. Requirements of the annual budget and legislative cycle are such that legislative and appropriation proposals for the coming fiscal year, prepared by the outgoing administration, were pending in Congress at the time the Nixon administration took office. Thus it was necessary for the incoming ad-

ministration to take an immediate policy decision on foreign aid. While it might, if it had taken the decision to do so immediately after the election and during the transition planning process, have moved at once to the designation of a special task force to review the foreign aid program, the administration elected instead to conduct its own internal review. On January 21, 1969 in NSSM 4, Henry Kissinger informed the Secretaries of State and Defense, the Director of the Bureau of the Budget, the Administrator of AID, and the President of the Export-Import Bank that the President had designated an ad hoc committee to conduct a comprehensive review of foreign assistance.

This committee, composed of specified subordinates of the addressees, plus the Assistant Secretaries for International Affairs in the Departments of the Treasury and Agriculture and a representative of the National Security Council staff, was directed to prepare a paper on foreign aid policy, presenting alternate aid strategies, analysis of the political aspects of foreign aid, and of the costs and benefits of different types of aid and different aid levels. The committee study was to be completed by March 15, 1969. NSSM 4 designated the Deputy Under Secretary of State for Economic Affairs as chairman of the working group. Since this position had not yet been filled, Under Secretary of State Elliot L. Richardson assumed the chairmanship. Thomas Enders, Deputy Assistant Secretary of State for International Monetary Affairs, and Paul Clark, Assistant Administrator of AID for Policy and Program Planning, were the principal staff assistants of the working group. They, together with Rutherford Poats, Assistant Administrator of AID, a designated working group member, were responsible for most of the detailed review of the program.

Recommendations of the working group were embodied in a message sent by President Nixon to Congress on May 28, 1969. This message, entitled "New Directions in Foreign Aid", proposed one significant organization change, creation of a separate Overseas Private Investment Corporation (OPIC), a change in program emphasis to strengthen technical assistance activities, and an appropriation request for \$2.210 billion, \$138 million below the amount the outgoing administration had requested in January, 1969.

The President concluded his message with a commitment to establish:

"... a task force of private citizens to make a comprehensive review of the entire range of U. S. aid activities, to consider proposals of the United Nations bodies and international commissions, and to help me determine what our national policies should be toward the developing countries in the decade of the 1970's. I will look to the task

force's report in developing the program next year, in my response to the Javits Amendment to the Foreign Assistance Act, and in considering the recommendations of the internationally-sponsored Pearson Commission report to be published in the fall."²

This decision to mobilize a task force of private citizens to review foreign aid reflected the opinion, widely held in the administration, that an outside group could not only take a new and imaginative approach to foreign aid and discover ways to improve it, but was needed to give the program "credibility". This view, strongly held by the President and Dr. Kissinger, was shared by the Secretary and Under Secretary of State and the new Administrator of AID. While in retrospect, one might argue with considerable persuasiveness that the initial ad hoc committee, armed with the same mandate given the outside task force, could have done a more effective job, there was at the time little doubt within the administration that naming an outside task force was the right move.

Establishment of the Peterson Task Force. On September 2, 1969, the President announced the designation of Mr. Rudolph A. Peterson, President and Chief Executive Officer of the Bank of America, to serve as chairman of a special task force on international development. On September 24, 1969, the President announced the names of the remaining members of the task force, 15 private citizens chosen principally from the business and academic communities.³ The task force held its first meeting in Washington on the same date. Peterson was chosen from a roster of businessmen and Republican leaders which had been developed as a part of the executive recruitment process in the new administration. He was first approached concerning the chairmanship of the task force in August, 1969, by Elliot Richardson, who talked by telephone with Peterson at his ranch in Panama. The appointment was later confirmed at a meeting with the President in San Clemente at which Henry Kissinger and C. Fred Bergsten, the NSC Staff Member responsible for liaison with the Peterson task force, also were present. Peterson chose the other task force members with Kissinger's advice and approval. Having been a member of the Perkins Commission, Peterson turned to members of that group for some of his choices, but, on Kissinger's advice, stopped with Edward Mason and David Rockefeller. Earl L. Butz, William J. Casey, Terence Cardinal Cooke, and Thomas B. Curtis were named on the recommendation of the White House staff; Professors Samuel P. Huntington and Gottfried Haberler on the recom-

mendation of Henry Kissinger. General Robert J. Wood was recommended by the White House staff at Mr. Peterson's request.

With the counsel of Fred Bergsten, the Chairman also turned immediately to the task of choosing a Staff Director. After considering a number of candidates, Peterson settled upon Edward R. Fried, a Senior Fellow of The Brookings Institution. An international economist of recognized standing, Fried brought to his position an expert knowledge of the economic and financial implications of foreign aid. Fried's special interests were underlined for the task force, coincidentally, by the appearance in the October, 1969 issue of the quarterly, *Foreign Affairs*, of an article entitled "International Liquidity and Foreign Aid", a cogent argument for linking Special Drawing Rights to foreign aid. Fried had had considerable government experience, serving most recently as Deputy Assistant Secretary of State for Economic Affairs (1965-67) and Member of the Senior Staff, NSC (1967-69). He had not had experience in the administration of foreign aid, however, and was felt by AID personnel to be unfamiliar with the broad problems of aid planning and use. Fried personally favored strengthening multilateral aid and early termination of bilateral capital lending programs.

No Executive Order or other authorization in writing or terms of reference defining the responsibilities of the task force was issued. Such instructions or guidance as the task force received from the President or Kissinger were supplied orally to the Chairman. Public announcements of the creation of the task force and a memorandum of October 6, 1969, from the President's Adviser on National Security Affairs to the Secretary of State and other cabinet members and senior officials concerned with the work of the task force, supply a general description of the duties assigned to it. The October 6 memorandum of the National Security Adviser states that the mandate of the task force:

"... is to reappraise the U. S. foreign assistance program and other aspects of U. S. economic relations with the developing countries and to make recommendations to him (the President) regarding such policies for the 1970's. Its report will serve as the basis for the President's reappraisal of his policies and for the program which he will submit to the Congress in 1970."⁴

It became evident early in the work of the task force that its purpose was two-fold: (1) to make recommendations for improvement in the efficiency and

⁴Memorandum of Henry A. Kissinger to the Secretaries of State, Treasury, Defense, Interior, Agriculture, and Commerce, and to the Director, Bureau of the Budget, the Special Representative for Trade Negotiations, the President, Export-Import Bank, and the Administrator, Agency for International Development.

²*New Directions in Foreign Aid*, President Nixon's Message to the Congress, Agency for International Development, p. 10.

³See Annex A.

effectiveness of the foreign aid program by changes in organization, policy, and priorities, and (2) to lay the groundwork for restoring public confidence in foreign aid and Congressional support for the program. The first of these purposes was explicit in the instructions given the task force and in the public announcements the administration made about it. The second, although not acknowledged in writing, also was explicit in the briefings given the task force by Kissinger and other administration spokesmen and was frankly recognized in task force discussions.

Primary responsibility in the administration for organizing the special task force was exercised by the National Security Council. The task force chairman, Mr. Peterson, met with the President on a few occasions, but his principal point of White House contact, throughout the work of the task force, was the President's National Security Adviser. The task force, as a group, did not meet with the President at any time before or during the preparation of the task force report. Its only meeting with him occurred in September, 1970, months after the task force had completed its study. This meeting was essentially a public relations exercise associated with issuance of the President's September, 1970 message submitting the task force report to Congress.

Composition of Task Force and Its View of Its Assignment. The emphasis of the administration guidance given the task force, according to the recollection of task force members, staff, and observers, was on change. Find a way, the instructions seemed to say, to give foreign aid a new direction, a new emphasis, a new organization, and a new look. In this respect, the briefing given the task force by Dr. Kissinger was revealing, and, because of his relation to the President and to the task force, carried considerable weight. He spoke, not as a senior official with convictions as to the value of foreign aid as an instrument of foreign policy and with opinions as to how it could be made more useful, but rather as a detached observer advising a group of advocates of foreign aid on how they might defend it against growing opposition. His most forceful suggestion was "if you want foreign aid to come to an early end, just recommend more of the same". According to the chairman, the President expressed similar views in much the same language. Hence, the task force concluded that its primary purpose should be to define a new formulation for foreign aid, a new emphasis, and a new organization. One task force member, among those with previous professional contact with the program, has said that he saw nothing wrong with the existing AID organization. He felt the problems lay elsewhere, principally in lack of support, making it difficult to find and hold superior personnel. He went along with

the sweeping organizational changes eventually proposed by the task force because of the emphasis placed by the administration on change.

The task force decision to keep its distance from the on-going AID program and its personnel reflected the wishes of the President and Kissinger. John Hannah, also, at the outset felt that the personnel of AID should not participate in the evaluation of the program. He insisted that AID funds, which financed the task force, be transferred to the Executive Office of the President for administration, and instructed the AID staff to give the task force such information or assistance as it might request but not to offer suggestions, or otherwise seek to influence task force decisions. Later he concluded that this view had been "too idealistic". Elliot Richardson, while he was Under Secretary of State, supported the task force and had some influence upon it. But he left the Department of State shortly after the task force study was completed. Once the task force was created, it was effectively tied to the National Security Council.

The Administrator and other officials of AID and the Department of State concerned with planning and managing the administration's on-going AID program were given an opportunity to brief the task force and were called upon to supply information needed in the study. The AID Administrator and the Secretary of State were shown copies of the task force report immediately before it was put into final form and were given the opportunity to comment upon it. But there is no evidence that the task force gave any more weight to the views of the people responsible for the on-going program than to those of the many other government officials who briefed them. All the problems of transition implicit in the sweeping changes the task force recommended, many of which might have been anticipated by closer cooperation between the President's operating arm in foreign aid and the advisory group he had created, were left to be dealt with after the study was completed, the report published, and the task force disbanded.

Detachment of the task force from past experience was made more complete by the composition of the group itself and the personnel chosen for its administrative staff. Of the 15 task force members, the majority had had little or no contact with the problems with which the task force was expected to deal. Several had had professional training and experience in international economic fields other than foreign aid, and three, including the chairman, had served as members of the Perkins Committee, and thus brought to their task a broad understanding of foreign aid policies and problems. No one, however, had had practical experience in management of foreign aid programs, either multilateral or bilateral. (There is one notable exception to this

observation. General Robert J. Wood was named to the task force precisely because he had had several years experience as administrator of military assistance in the Department of Defense. He was selected in response to Mr. Peterson's request for the nomination of an officer with such qualifications.)

Much of the same could be said of the task force staff. While one or two of the subordinate members had had limited experience in the management and use of economic and technical assistance, none had had the level or breadth of responsibility which General Wood had had in the field of military assistance. The Staff Director was professionally qualified in broad aspects of international economic relations, but, generally speaking, the staff was free from such biases as might come from having held responsible positions in foreign aid administration.

The Task Force Time Table. Having begun its work on September 24, 1969, the task force pursued its study diligently and completed it within the allotted time. The substance of the task force findings and recommendations was presented orally to the President by the chairman in February and the final report was published on March 4, 1970. Although the report was given public circulation at once, it was not formally submitted to Congress at that time and did not provide the basis for the administration's foreign assistance proposals for the following fiscal year (FY 1971). The substance of the report was formally presented to Congress in a Presidential message of September 15, 1970, but without any accompanying proposed legislation and at a time of year when Congress would not normally give consideration to new legislative proposals.

It was not until April 21, 1971, more than 13 months after the Peterson Task Force completed its work, that the President made formal legislative proposals to Congress embodying the substance of the report. Hearings were held in both the House and the Senate on the President's proposals, but no Congressional action was taken on them during that session of Congress. They were not resubmitted in later years. A few of the recommendations of the task force ultimately found their way into legislative enactment or into administrative decisions affecting the AID program, but the task force, as a whole, cannot be said to have had any decisive impact.

There is general agreement among participants in the Peterson Task Force study and other observers that the 13 months delay between the completion of the task force report and the President's message of April 21, 1974, was a decisive factor in the rejection of the report by Congress. Mr. Peterson is convinced that Congress would have been much more receptive in 1970 than it was in 1971. Fred Bergsten shares that opinion. But there is less agreement as to the reason for the delay. None of

the dozen or more knowledgeable people consulted in this study claimed to offer an authoritative explanation, but, among them, they advanced the following reasons:

1. No one in the White House, the President and Kissinger included, accorded foreign assistance of whatever form or purpose a high priority or was prepared to expend much effort in its support.

2. Although sincere in encouraging the task force at the outset to strengthen multilateral aid programs at the expense of bilateral aid, the President had changed his view by the time the report was filed, having come to see the political utility of bilateral aid; Kissinger, at any rate, had undergone such a change of heart.

3. The President endorsed the task force organizational recommendations without enthusiasm, recognizing that the multiplication of aid agencies would reduce the latitude and flexibility available to him.

4. Kissinger and the NSC staff were preoccupied, in the spring of 1969, with the military situation in Southeast Asia and anticipated developments there which would provoke Congressional hostility and make the proposal of a comprehensive new foreign aid program untimely.

5. The Peterson Report, although sweeping in effect, did not constitute a blueprint for change; that had to be provided in the form of draft legislation requiring a great deal of time-consuming staff work and clearance throughout the government.

6. Within the Executive Office and among the departments affected by the report, there was strong difference of opinion over some of the recommendations, particularly the shift to multilateral aid and the multiplication of aid agencies; without active high-level interest in foreign aid, these issues could not be quickly resolved.

7. The administration was new, still in the shake-down period, and simply was unable to react expeditiously to this kind of problem.

TASK FORCE METHOD

Briefings, Regional Meetings, and Consultations. In conducting its study, the task force placed primary reliance upon meetings of the group as a whole. In a little more than five months, the task force held almost a dozen meetings, all of them lasting a day, and most running through the morning of a second day. A major work session held at Airlie House in Virginia, at which each task force member was asked to present a prepared discussion of a selected aspect of the study, lasted two days, January 9 and 10,

1970. The task force depended upon the Staff Director and his five assistants to arrange meetings, prepare agenda and minutes, and to organize and circulate to the members the extensive documentation developed in the course of the study.

Throughout the first three months, most of the plenary sessions were devoted to briefings by government officials and by others whose views the task force wished to receive. These included the Secretaries of State, Treasury, Defense, Agriculture and Commerce, the Administrator of AID, and the President of the Export-Import Bank, as well as a large number of subordinate officials. Each department or agency briefing was followed at the same task force meeting by a discussion of the substance of the briefing. In addition to the plenary sessions, most of which were held in Washington, the Chairman and Staff Director held regional meetings in San Francisco, Chicago, and New York. At these meetings, with the participation of task force members resident in the area, local political, business, and academic leaders were brought together to give the task force the benefit of their views. The meetings also, of course, served a useful public relations purpose.

The formal briefing sessions were supplemented by a wide range of consultations with government officials, private experts, and Congressional leaders. Individual task force members were encouraged to talk with Senators and Congressmen from their home states and districts and other members with whom they were acquainted and to supply the staff with memoranda summarizing the views thus obtained. The staff also met with business and other groups to obtain information and recommendations. Illustrative of the kind of private consultation held was a dinner meeting attended by the Chairman and members of the staff at which an official of the Brookings Institution in Washington brought together a group of academic experts on development and the use of foreign aid.

Commissioned Papers, Government Memoranda, and Invited Comments. The task force contracted for the preparation of a few papers on specific topics by selected experts, for example, a discussion of military assistance by Morton Halperin, and "Cracking the World Population Problem: A U. S. Goal for the 70's", prepared by the Carolina Population Center of the University of North Carolina.⁵ The staff prepared special memoranda and "issue papers" identifying or outlining the principal questions with which the task force was expected to deal. Some task force members also submitted memoranda on subjects with which they were particularly concerned, for example, a memorandum on military assistance, prepared by General Wood, and one on

political development prepared by Professor Samuel Huntington. In addition, extensive documentation was obtained from AID, the Bureau of the Budget, the Treasury, and other government agencies.

In November, 1969, the Staff Director sent letters soliciting the views of a wide range of private spokesmen: religious, business, labor, and professional organizations, as well as groups of individuals especially concerned with international development. As replies from these spokesmen were received, they were circulated to members of the task force. It is doubtful, however, that the views thus obtained had much impact upon task force thinking. Some of the replies were not received until after the drafting process was under way; moreover, they represented such a wide diversity of views that, circulated as they were, without classification, evaluation, or weighting by the staff, they gave no clear guidance on the principal issues the task force confronted.

To a lesser extent the same observation could be made about the views obtained by personal consultation and even about the briefings from official government sources. Certain ideas and preferences emerged from the mass of testimony gathered. For example, among academic spokesmen consulted, there appeared to be growing preference for strengthening multilateral AID agencies at the expense of bilateral aid. There was more widespread support for the separation of security from development assistance within the bilateral program. But broadly speaking, the briefings, the consultations, and the extensive documentation submitted to the task force did little to relieve it of the necessity of deciding for itself what were the important issues and what resolution of the issues should be recommended.

Drafting and Clearing the Report. Identification and resolution of the key issues and drafting of the final report began in January, 1970. Inevitably the initial drafting responsibility fell to the staff, and staff views, particularly those of the Staff Director, seemed to carry substantial weight. Nevertheless, the task force, as a whole, played an active and decisive role in the drafting process. Following the Airlie House meeting January 9 and 10, 1970, the plenary sessions were largely devoted to the review and revision of various sections of the report. The Chairman, naturally, took the lead, but individual members with special knowledge or interest in subjects dealt with in the report often had a decisive impact, for example, General Wood on the section dealing with military assistance, and Robert Roosa on the reservation of Special Drawing Rights (SDR's) for development. It is fair to say that the task force final report was as much a collective effort as any such report can be.

The report was completed in mid-February. As a

⁵See Annex B.

matter of courtesy, it was shown to some of the officials who would be affected by it, among them the Secretary of State and the Administrator of AID. They were not asked to approve it but were given the opportunity to object to details of the report if they felt justified in doing so. The Chairman has indicated that some slight changes were made at that time in response to questions raised by the Secretary of State. Late in February, the task force Chairman and Staff Director discussed the substance of their recommendations with the President, Kissinger, and Bergsten. In a meeting which lasted more than an hour and gave close attention to the task force recommendations, especially those concerning organization, the President gave the report his approval. It was formally submitted on March 4, 1970 and released to the public shortly thereafter.

TASK FORCE RECOMMENDATIONS

Task Force View of the U. S. Foreign Aid Role. The Peterson Task Force based its conclusions on a view of the world situation and of the appropriate role for United States foreign aid which can be summarized in the following terms: in the 1970's it will not be necessary for United States bilateral aid to play the dominant role it appropriately played in the 1960's. The other industrial nations are carrying a relatively larger share, the United States a smaller share, of the aid burden. The international aid-administering agencies have grown in competence and in acceptance. The developing countries have acquired the capacity to plan their own development and are using the aid available to them with increasing effectiveness. The time has come, in short, to internationalize foreign assistance.

In recognition of these facts, the task force recommended an increase in the amount and proportion of U. S. resources provided the developing countries through the international agencies and a relative decline in U. S. bilateral aid. It proposed the virtual elimination of AID country missions, and a corresponding increase in the number of personnel stationed overseas by the international agencies. It recommended that the multilateral agencies, especially the IBRD, assume the responsibility for development planning in the aided countries which the U. S. bilateral missions had previously provided. The United States would continue to need a bilateral capital aid program, but it should be selective and largely concentrated in countries in which the United States has a particular interest. U. S. bilateral aid should be planned and administered in such a way as to supplement and support country development programs designed by the international agencies.

Carried to its logical conclusion, this reasoning would justify the complete elimination of U. S. bilateral aid. The task force Chairman has said that the task force never seriously considered the immediate termination of bilateral aid. Within the task force staff, however, and in the National Security Council Staff, there was strong support for recommending the early, if not the immediate, termination of bilateral aid and for setting a firm date for its elimination. Debate on this issue within the administration, it is said, is one of the reasons for delay in responding to the task force report.

Five Agencies to Replace AID. The task force offered a sweeping reorganization plan designed to eliminate the Agency for International Development and to transfer its responsibilities, as shown below, to the Department of State and to four newly created organizations:

1. *Security Assistance.* The task force proposed an International Security Cooperation Act providing authority for all forms of security assistance, military as well as economic. The Department of State would set policy and direct and coordinate security assistance programs. Supporting assistance, public safety programs and the contingency fund, previously administered by AID, would be transferred to the Department of State. Military grant and credit sales programs would continue to be administered by the Department of Defense.

2. *Welfare and Emergency Relief.* Humanitarian assistance programs, relying principally upon resources in the form of surplus agricultural commodities, had been administered by AID and the Department of State, jointly with the Department of Agriculture. The task force recommended that these programs be brought together under one office in the Department of State.

3. *The Overseas Private Investment Corporation (OPIC).* The task force endorsed the action already taken by Congress to create the Overseas Private Investment Corporation.

4. *A U. S. International Development Bank (IDB).* To replace AID as a source of loans to selected countries or to selected programs of special interest to the United States, the task force proposed the creation of the United States International Development Bank, an independent government corporation whose president would serve as chairman of a Board of Directors of which the Secretaries of State and Treasury would be ex officio members. The IDB would be given a two billion-dollar, multi-year capitalization by appropriation and authority to borrow two billion dollars in addition from the public. The bank would be authorized to use payments of interest and principal on outstanding loans, including those made in the past by AID, and could make loans on highly concessional terms.

While the IDB might have need for regional, and, in some cases, country representatives, the principal decisions would be made in Washington.⁶

5. *Research and Technical Cooperation.* To replace the technical assistance programs of AID, the task force also recommended the creation of a U. S. International Development Institute (IDI). It would be an independent government agency with permanent status. It would have a full-time director serving also as chairman of a Board of Trustees, of which the Secretary of State would be an *ex officio* member. The existing arrangement of providing technical assistance through large resident technical missions would be terminated. IDI would make increasing use of private channels: universities, scientific organizations, business firms, and voluntary agencies. IDI also would be responsible for providing guidance to the U. S. representative on the governing board of the United Nations Development Program (UNDP). As in the case of the IDB, the principal operating decisions would be made by IDI in Washington.

6. *The U. S. International Development Council (IDC).* To coordinate international development activities and relate them to U. S. foreign policy, the task force recommended the creation of the U. S. International Development Council. The Chairman of the Council would be an appointee of the President, attached organizationally to the White House and served by a small, high-level staff. The Council would consist of the Secretaries of State, Treasury, and Agriculture, the President's Special Trade Representative, the President of the Export-Import Bank, the Director of the Peace Corps, the President of the IDB, the Director of IDI, and the President of OPIC. The Chairman of the Council was expected to obtain overall foreign policy guidance from the Secretary of State, while the Secretary of State would continue to be responsible for assuring that U. S. aid programs in specific countries were consistent with U. S. foreign policy, and for conducting negotiations. Similarly, the Secretary of the Treasury would continue to have primary responsibility for dealing with international financial institutions but would be guided on development aspects of policy by the IDC.

The Peterson Task Force thus proposed to take apart an integrated foreign aid administration which had been put together in 1961 from a group of disparate elements similar in important respects to the new organizations the task force proposed to

create. One is tempted to explain the proposals as the inevitable swing of the pendulum. But such an explanation would be too easy and is both superficial and misleading. The replacement of AID and the splitting up of its functions was not, as some observers have suggested, a proposal from the staff. The organization proposals grew out of the task force belief that the changed world situation called for drastic revision of the U. S. foreign aid role. The task force was firmly opposed to the maintenance of large U. S. missions overseas and proposed to eliminate them by increasing U. S. support of multilateral agencies and by creating new, centralized agencies to conduct the remaining bilateral program.

According to the Staff Director, the proposal to create a separate agency for each of the major programs was a collective decision based upon the following considerations. OPIC had been authorized to assume AID's investment guarantee functions even before the task force completed its study. There was general agreement throughout the administration, as well as in the task force, that the administration of supporting assistance for security purposes should be separated from the administration of aid for development. There remained technical assistance and capital loans; there had been doctrinal differences over the issue of unified versus separate administration of these programs, at least since the initiation of the Point-Four program in 1949. The task force chose separate administration because it believed technical assistance was likely to be a long-term, if not a permanent, U. S. program, while bilateral capital aid seemed likely to be terminated at an early date.

Other Program Recommendations. In addition to these major organizational recommendations, the task force made a substantial number of proposals concerning foreign aid policy and procedure, some of them quite detailed, some concerning the U. S. bilateral aid program, and others concerning programs administered by international agencies. International organizations were admonished, for example, to take a less parochial view of their mission, to allow wider representation abroad, adopt more flexible lending policies, and to give increased attention to the management, social, technical, scientific cooperation, and popular participation aspects of development.

In addition to proposing specific multi-year funding for IDB and IDI, the report recommended an increase of \$500 million by 1972 in the annual U. S. contributions to international financial institutions. It rejected the idea, which had been endorsed by the Pearson Commission report and was widely urged by supporters of international development, that the United States agree to make a fixed percentage of its gross national product available for foreign aid.

⁶The similarity between this proposed institution and the Development Loan Fund, which was established in the late 1950's and absorbed into the Agency for International Development when it was created in 1961, was not noted.

THE PRESIDENT'S RESPONSE TO THE TASK FORCE REPORT

Publication Without Follow-up. The end of February is late in the legislative process to present major legislative proposals to Congress, but it would not have been *too* late in 1970 if the President had decided immediately to make the Peterson Task Force report the basis for his FY 1971 foreign aid request. This he did not do. Although both the Staff Director and task force Chairman say that the President received their oral presentation of the report favorably, even warmly, and, after discussion with his National Security Adviser, took no exception to the organization proposals, he did not actually give formal approval to the report. He did not insist that his staff prepare draft legislation for Congressional consideration, rework the foreign aid legislative and budgetary proposals to conform with the recommendations in the report, or take the other steps necessary to obtain early serious Congressional consideration of the task force's recommendations. The report was unveiled at San Clemente at a press conference attended by both the President and Mr. Peterson on Sunday, March 8, 1970, but it was not formally submitted to Congress. It immediately became the subject of discussion and difference of opinion among the staff. To accomplish such sweeping changes as the Peterson Report proposed, participation of the OMB was necessary, and consultation and clearance with the affected departments and agencies unavoidable. Bergsten did not have the status in the White House hierarchy to force action on a crash basis, if indeed anyone could have done so. In August, 1969, convinced that some affirmative action should be taken without further delay, Bergsten obtained approval at a meeting in San Clemente for the preparation and immediate submission to Congress, without waiting for the preparation of accompanying legislation, of a Presidential message transmitting and recommending the Peterson Report.

A Message Without a Legislative Program. This became the message to Congress of September 15, 1970. In it the President outlined a series of changes in the foreign aid program which he identified as being based upon the recommendations in the Peterson Task Force report and to which he invited the Congress to give careful consideration. He added that those recommendations also took into account the valuable insights and suggestions concerning development problems which were contained in the Rockefeller report on Western Hemisphere Policy.

The message was not accompanied by suggested draft legislation and did not call for immediate Congressional action. Rather, the President said:

"... I am proposing a set of fundamental and sweeping reforms, to overhaul completely our entire foreign assistance operation to make it fit a new foreign policy.

"Such a transformation cannot be accomplished overnight. The scope and complexity of such an undertaking requires a deliberate and thoughtful approach over many months. I look forward to active discussion of these proposals with the Congress before I transmit my new assistance legislation next year."⁷

This approach, which to some observers seemed to be an effort to shift to Congress the responsibility for redesigning the AID program, together with details in the message, constituted something less than a ringing endorsement of the Peterson report. The message accepted the principal thrust of the task force report: increased emphasis on multilateral aid at the expense of the bilateral program; separation of security, humanitarian, and development assistance, and the creation of two new aid agencies, the U. S. International Development Institute to be responsible for technical assistance programs, (for this agency, permanent legislative authorization and a multi-year appropriation, were suggested) and a U. S. International Development Corporation (rejecting the term "bank") to be responsible for bilateral lending. In addition to the multi-year appropriation, borrowing authority for the IDC, and the authority to make concessional loans recommended by the Peterson Task Force, the President suggested that the corporation also have the authority to provide grant-financed technical assistance closely related to its lending operations. Although the President recommended the organizational separation of the various categories of assistance and indicated that he would propose a freshly-conceived international security assistance program, his message made no reference to the State Department's role in security and humanitarian assistance proposed by the Peterson Task Force. The message also implicitly rejected the idea of an International Development Council.

Thirteen Months Delay. Following the September 15 message, the OMB, at Kissinger's request and under the leadership of Assistant Director James Schlesinger, established a series of inter-agency task forces to prepare a legislative program based upon the Peterson Task Force recommendations. Nonetheless, seven months more elapsed before the President submitted formal proposals to Congress.

⁷Nixon, Richard, "Foreign Assistance for the Seventies", *Weekly Compilation of Presidential Documents*, September 21, 1970, Vol. 6, p. 1214.

On April 21, 1971, the President transmitted a message reporting various administrative actions which had been taken to transform the United States foreign assistance program and proposing two new pieces of legislation, an International Security Assistance Act and an International Development and Humanitarian Assistance Act. In effect, the President accepted and endorsed the principal recommendations of the Peterson Task Force:

1. Consolidation of security assistance programs under a single piece of legislation and establishment in the Department of State of responsibility for overall policy guidance and coordination of security assistance and for the administration of those security assistance functions, such as supporting economic assistance and the public safety program, previously administered by AID,

2. Establishment of an International Development Institute, and

3. Establishment of an International Development Corporation to exercise generally the functions described in the task force report. In place of the International Development Council proposed by the task force, the President announced that, to provide effective coordination, he would appoint a single Coordinator of Development Assistance, responsible directly to the President, who would serve as Chairman of the boards of the IDC, the IDI, and OPIC. This Coordinator would also chair an executive coordinating committee composed of the chief executive officers of each of these institutions, and of the recently created Inter-American Social Development Institute (ISDI).

Even though it was late in the year to ask Congress to consider such sweeping legislative changes, the President's message was transmitted routinely without the special efforts to mobilize Congressional receptivity and support which traditionally had accompanied submission of the annual foreign aid bill. Despite the promise in his September, 1970, message, the President held no meetings with Congressional leaders and did not mobilize the Congressional liaison staff in support of the legislation. At this point, the White House turned the Congressional presentations problem over to the Departments of State and Defense and the Agency for International Development.

THE RECEPTION IN CONGRESS

The proposals were not well received on Capitol Hill. Hearings on the proposed legislation began promptly in the House Committee on Foreign Affairs, the first witness, Under Secretary of State John N. Irwin, appearing on April 27, 1971. Ru-

dolph Peterson appeared on April 29, and was followed by a series of witnesses representing AID and the regional bureaus of the Department of State. The hearings gave little indication of the committee's views on the substance of the proposals. It is evident from the questioning that the committee members considered it unreasonable of the administration to expect the committee to give serious consideration in the two months remaining in the fiscal year to sweeping organization and program changes which the administration had under study for more than a year.

Speaking as a friend of foreign assistance, Chairman Morgan said:

"It is going to take many members of this committee months and months to get acquainted with some of the new and modern changes that have been requested by the President.

"How do you feel, Mr. Secretary, if this committee would say that it is going to take a long time to digest these two large bills and hold hearings, and that we would give you a present extension of the foreign aid act for 1 year . . . I don't think that this committee or the Senate Foreign Relations Committee is going to be able to conduct long hearings and give this bill the amount of attention it deserves. Suppose we give you a 1-year extension of the act . . . How do you feel about that, Mr. Secretary?"⁸

Other members of the committee were less gentle in their comments. By the time the administration witnesses, including Mr. Peterson, had reached the Senate Foreign Relations Committee, they, in effect, had accepted the conclusions suggested by Chairman Morgan in the House committee. In response to a question from Senator Aiken, Under Secretary Irwin, at the beginning of his testimony before the Senate Foreign Relations Committee, on June 11, 1971, said:

"Senator Aiken, the preference of the administration is that both bills be dealt with. We hope that they will have the careful consideration of the committee, and be reviewed, and hopefully passed by Congress during its present session.

"If it turns out to be the wish of the committee or the Congress to move differently, we hope they will particularly consider the International Security Assistance bill.

"We recognize that the House Foreign Affairs Committee has put forward a proposed bill for a 1-year extension instead of these bills. Now while we would prefer to see the program go ahead as recommended, if a 1-year extension is given, we would hope during that time that both bills could

⁸U. S. Congress, House of Representatives, Committee on Foreign Affairs, Foreign Assistance Act of 1971, Hearings, Ninety-Second Congress, First Session, April 27, 1971, pp. 11-12.

be passed. While it is not what we originally recommended, we appreciate what the House Foreign Affairs Committee has done and the spirit in which they have put forward their bill."⁹

This marked the end of the Peterson Task Force, so far as its direct impact upon legislation is concerned. Its substantive proposals, even those to which one or both committees might have been receptive, were simply not given a hearing. In place of the proposed legislation, the one-year extension of the existing program was voted. Some of the ideas put forward in the Peterson Report were embodied in subsequent legislation. An International Security Assistance Act was passed in 1972, fixing policy and coordinating responsibility for security assistance in the Department of State and creating a new office, headed by an Under Secretary of State for the Coordination of Security Assistance. The Act did not, however, embody the principal organization change affecting security assistance proposed by the task force, i.e., the transfer of security assistance funds and personnel, the public safety program, and the contingency fund from AID to the Department of State.

As the most recent comprehensive review of foreign assistance, the Peterson Task Force report has continued to serve as a point of reference in discussions of foreign aid. Some sponsors of the Foreign Assistance Act of 1973, which substantially restructured the aid program, consider that it embodies the best of the task force recommendations. There is little evidence, however, that the task force report had any direct impact upon the 1973 legislation. The 1973 Act necessarily addressed the same problems with which the task force had attempted to deal. Some of the program emphasis it embodies is similar to recommendations of the task force, for example, according priority to technical assistance in the bilateral program, provision of capital loans, where possible, through multilateral agencies, and reduction of U. S. overseas missions. The Development Coordination Committee, established by the 1973 legislation, bears a resemblance to the International Development Council proposed by the Peterson Task Force but has a much broader mandate.

Some task force recommendations also were effected by administrative action. But AID has not been replaced; it continues with essentially the functions it had before the task force recommendations were made. Judged as an instrument for bringing about organizational change, the Peterson Task Force had failed.

⁹U. S. Congress, Senate, Committee on Foreign Relations, *Foreign Assistance Legislation, Fiscal Year 1972*, Hearings, Ninety-Second Congress, First Session, June 11, 1971, p. 262.

WHAT WENT WRONG?

Three factors go far to account for the failure of the Peterson Task Force to have any direct organizational impact on foreign aid:

1. Lack of strong and effective White House support,
2. Lack of cooperation between the ad hoc task force and the aid-administering agencies affected by its report, and
3. Lack of adequate and timely consultation between the Executive Branch and Congress.

Lack of White House Support. Qualified observers differ sharply as to how President Nixon really felt about foreign aid and the Peterson Task Force report. The task force Chairman and Staff Director left their February, 1970, meeting pleased with the time the President gave them and the extent and tone of his discussion of the report with them and his staff members present. They were convinced that he fully approved their recommendations. Other observers say that the President's words, both in the meeting and in subsequent messages concerning the report, did not reflect his real convictions; he simply did not attach a high importance to foreign aid and was not prepared to expend much effort in its behalf. His actions, these observers say, are the best evidence of his views.

What are the significant actions? First, failure to meet with the task force as a group; this may merely be an illustration of Presidential style and no special evidence of attitude toward foreign aid. But ritual meetings with "high-level" Presidential commissions are so much the rule that the lack of a meeting in this case must be noted. Lack of a written Presidential order or memorandum creating the task force and describing what he expected of it also seems significant. But most persuasive, as indicating a lack of Presidential enthusiasm for the subject and the report, is the long delay in responding to it. The Presidential message of September, 1970 was not really an endorsement of the report but rather an invitation to Congress to study further an important subject on which the task force had made some useful recommendations. The timing of the formal legislative proposals the President finally transmitted in April, 1971 was such as to invite the negative Congressional action which followed.

Lack of Presidential enthusiasm might have been offset by strong support at a high level in the White House staff. But that was not present. Dr. Henry Kissinger, the point of liaison for the task force, is described as skeptical about foreign aid. His advice to the task force was essentially negative: Don't give us more of the same! Elsewhere in the White House staff there was indifference, if not hostility, especially to the idea of strengthening such interna-

tional agencies as the IBRD. No one saw much utility in investing valuable political capital in foreign aid. The White House Congressional liaison staff was not mobilized in behalf of the task force report.

Lack of Cooperation Between the Task Force and the Bureaucracy. Unlike the Clay and Perkins committees, which were advisory to the Administrator of AID and to the cabinet departments whose work they affected as well as to the President, the Peterson Task Force, so far as one can judge in the absence of written terms of reference, was responsible to the Executive Office alone. As was to be expected, especially at the beginning of a new administration, the task force was urged to be wary of undue influence by the bureaucrats. Consequently, although the task force received information and suggestions from the departments and agencies, it did not obtain their help in anticipating the operational consequences of the task force recommendation.

The task force report provided no blueprint for its application. It was sweeping in its organizational implications, yet it came as a shock to the affected agencies, which were wholly unprepared for it. To permit the report to be presented to Congress as an effective legislative proposal, much detailed work was necessary, and clearance throughout the government was unavoidable. This took time, some of which might have been saved if the task force had enlisted the help of the agencies in preparing the final recommendations. If the new AID Administrator appointed by President Nixon and the task force had worked hand in hand, they might have come forward with a plan for transforming the foreign aid program which would have reflected the independent views of the citizens' committee, taken account of practical administrative problems, met the President's criteria, and provided a basis for presenting a strong case to Congress. At the least, it could have saved time.

Even without such cooperation, the clearance and drafting process would have moved much faster if the President had ordered a crash effort or if a White House staff member with sufficient power had decided to push action on the matter. As it was, the clearance and drafting took months. At first, responsibility was held in the inner circles of the Executive Office staff. After several months with little progress, the task was taken over by the Assistant Director of the Bureau of the Budget. Working groups were named to deal with different aspects of the problem, but serious work did not begin until November, 1970. The bulk of the work was then done by personnel drawn from the agencies which had been held at a distance by the task force. Even this effort did not bear fruit for another six months.

Lack of Congressional Liaison. One of the implicit

objectives of the task force was to win renewed Congressional support for foreign aid. To that end, the Chairman and members made a special effort to consult Senators and Congressmen. But merely seeking Congressional advice is not enough. What is required, when the annual aid program or new legislative proposals are under consideration, is the kind of consultation which results in some degree of understanding between the legislative and executive branches. That kind of consultation is hardly the job for an ad hoc committee, unless it is operating on specific White House instructions with solid political support. The Peterson Task Force was not.

Even the regular administration spokesmen on foreign aid, the Under Secretary of State and the Administrator of AID, were sent to the Hill to do the best they could without Presidential help. Presidential meetings with the Congressional leadership were not held, even though they had long been a traditional opening gun in the annual foreign aid battle. If the friends of foreign aid on Capitol Hill and those in the administration could get together on a program, the President would support it, but he would not put much of himself into the struggle.

Administration delay in submitting the task force recommendations and the accompanying aid program was a crucial factor. The long delay gave Congress grounds to question the seriousness of administration support for the task force proposals. It gave the committees not only an excuse, but a justification, for refusing to give the proposals substantive consideration. One may wonder how the proposals would have fared if they had been taken seriously. On the separation of security from development assistance there would probably have been quick approval. On the build-up of multilateral agencies at the expense of the bilateral program it is more difficult to say; the Senate would probably have approved, the House opposed. On the multiplication of aid agencies it is hard to believe there would have been great happiness in either House. But, if the President had put his full weight behind the proposals and had shown strong conviction in their support, he could probably have gotten much of what he wanted.

Judged solely as a mechanism for accomplishing organizational change, the Peterson Task Force was not successful. But, as the preceding paragraphs have undertaken to show, that failure was not wholly or even primarily the fault of the task force. It did the job assigned to it promptly and well. It examined the aid program thoroughly and carefully and made a series of thoughtful recommendations for its improvement, taking account of the world and domestic environment of the time. It might have made somewhat different recommendations and supplied more of a plan for effectuating

its proposals if it had worked more closely with the affected agencies, but in this respect the task force followed its instructions. In addition to the organizational recommendations which are the concern of this case study, the task force made a considerable range of policy and procedural recommendations affecting both the U. S. bilateral aid program and the programs of the international agencies. The task force Chairman, who now heads the UNDP, attributes the much closer working relations between the U. S. bilateral program and the international agencies now than in the past to the influence of the task force report. He is probably also warranted in his belief that in many other unnoticed ways the report continues to have a constructive effect.

A temporary outside committee cannot, however, replace the regular administrative officers of the government. It can supply guidelines and suggestions, but it cannot take the policy decisions, plan the detailed organizational changes, or negotiate with the legislature. The failure in this case was not in the task force but in the use made of it. And in using the word failure, one must in fairness acknowledge that the Peterson Task Force appears to have been as effective as many of its predecessors. This is true at least with respect to the most recent two. Perhaps the ultimate lesson is that an ad hoc citizens' committee, *operating outside the regular administrative structure*, is rarely an effective device for governmental reorganization.

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The President's Task Force on International Development

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1. "Toward a Multilateral Aid System", Edward Hamilton and Henry Owen, The Brookings Institution.
2. "Issues Concerning Capital Assistance to Less-Developed Countries", Arnold C. Harberger, University of Chicago.
3. "U. S. Technical Assistance for the '70's", Solomon H. Chafkin and James M. Pines, American Technical Assistance Corporation.
4. "Trade Issues in International Development", Professor Robert Baldwin, University of Wisconsin.
5. "Foreign Assistance and Population Growth", Frank W. Notestein, The Population Council.
6. "Foreign Capital and Economic Growth", Alan M. Strout, The Brookings Institution.
7. "Subsidizing Loans to Developing Countries, and Guaranteeing Bonds Sold by Developing Countries", Benjamin I. Cohen, Yale University.
8. "A Note on Foreign Aid Politics and Organization", Edward Hamilton, The Brookings Institution.

List of Abbreviations

ACDA	Arms Control and Disarmament Agency		
ACORD	Action for Organizational Development (State Department program)		
AFSA	American Foreign Service Association	IDC	International Development Council (proposed by Peterson Task Force)
AID	Agency for International Development	IDI	International Development Institute (proposed by Peterson Task Force)
ARA	Bureau of Inter-American Affairs (State)	IFC	International Finance Corporation
Ash Council	Advisory Council on Executive Organization	IG	Interdepartmental Group (NSC Committee)
BOB	Bureau of the Budget	ILAB	Bureau of International Labor Affairs (Labor)
CAP	Country Assistance Plan (AID)	ILO	International Labor Organization
CASP	Country Analysis and Strategy Paper	IMF	International Monetary Fund
CCPS	Comprehensive Country Programming System (State)	IRG	Interdepartmental Regional Group (NSC Committee)
CEA	Council of Economic Advisers	ISA	International Security Affairs (Defense)
CEP	Council on Economic Policy	ISC	Interagency Staff Committee on Agricultural Surplus Disposal
CFEP	Council on Foreign Economic Policy	JCS	Joint Chiefs of Staff
CIA	Central Intelligence Agency	MAAG	Military Assistance Advisory Group
CIEP	Council on International Economic Policy	MAP	Military Assistance Program
DCC	Development Coordination Committee	MOP	Management by Objectives and Programs (State)
DCM	Deputy Chief of Mission (U.S. Embassy)	MSA	Mutual Security Act
DLF	Development Loan Fund	MSP	Mutual Security Program
DOD	Department of Defense	NAC	National Advisory Council on International Monetary and Financial Policies
DPRC	Defense Program Review Committee (NSC Committee)	NASA	National Aeronautics and Space Administration
ECA	Economic Cooperation Administration	NATO	North Atlantic Treaty Organization
E. O.	Executive Order (of the President)	NIS	National Interdepartmental Seminar, also National Intelligence Surveys
EXIM	Export-Import Bank	NPP	National Policy Paper (State)
FAA	Foreign Assistance Act	NSAM	National Security Action Memorandum (NSC document)
FAC	Division of Foreign Assets Control (Treasury)	NSC	National Security Council
FAO	Food and Agriculture Organization, United Nations	NSDM	National Security Decision Memorandum (NSC document)
FAPS	Foreign Affairs Programming System	NSSM	National Security Study Memorandum (NSC document)
FAS	Foreign Agricultural Service (Agriculture)	NTL	National Training Laboratories
FCC	Federal Communications Commission	OCB	Operations Coordinating Board (NSC group)
FOA	Foreign Operations Administration	OD	Organization Development
40 Committee	NSC Committee	OECD	Organization for Economic Cooperation and Development
FSI	Foreign Service Institute	OEEC	Organization for European Economic Cooperation
FSIO	Foreign Service Information Officer (USIA and USIS)	OIF	Office of International Finance (Treasury)
FSL	Foreign Service Local (Non-U.S. citizen Embassy employee)	OMB	Office of Management and Budget
FSO	Foreign Service Officer (career category)	OPIC	Overseas Private Investment Corporation
FSRO	Foreign Service Reserve Officer (temporary category)	PARA	Policy Analysis and Resource Allocation (State)
FSRU	Foreign Service Reserve Officer (unlimited category)	P. C.	Peace Corps
GATT	General Agreement on Tariffs and Trade	P. L. 480	Agricultural Trade Development and Assistance Act; also Food for Peace Program
HEW	Department of Health, Education, and Welfare	PPBS	Planning-Programming-Budgeting System
IADB	Inter-American Development Bank, also Inter-American Defense Board		
IBRD	International Bank for Reconstruction and Development (also called World Bank)		
ICA	International Cooperation Administration		
IDA	International Development Association, also Institute for Defense Analyses		
IDB	Inter-American Development Bank (also referred to as BID for initials of name in Spanish, also International Development Bank, proposed by Peterson Task Force)		

RG	Review Group (NSC Committee)	USC	Under Secretaries Committee (NSC Committee)
SALT	Strategic Arms Limitation Talks	USIA	United States Information Agency
SIG	Senior Interdepartmental Group (NSC Committee)	USIS	United States Information Service (overseas element of USIA)
S/PC	Planning and Coordination Staff (State)	USOM	United States Operations Mission (ICA and FOA)
SRG	Senior Review Group (NSC Committee)	VP/NSC	Verification Panel (NSC Committee)
STR	Office of the Special Representative for Trade Negotiations	VSSG	Vietnam Special Studies Group (NSC Committee)
TCA	Technical Cooperation Administration—popularly known as “Point IV”	WH	White House
UNDP	United Nations Development Program	WSAG	Washington Special Action Group (NSC Committee)
UN	United Nations		
USAID	United States Agency for International Development Overseas Mission (AID)		

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Appendix P: Personnel For Foreign Affairs

Introduction

Appendix P consists of six papers, the work of the Commission's staff, consultants, and a panel of experts on this subject. They are the preliminary products of an effort to develop a strategy for improving personnel management in the State Department, the other foreign affairs agencies, and the "domestic" agencies involved in international affairs, with particular emphasis on executive development. The Commission's Report embodies the recommendations ultimately drawn from this work.

The results of the project are contained in the summary paper, "Foreign Affairs Personnel Management" by James W. Clark, senior consultant and project leader. The desire to explore the problems of executive development led the Commission to request three papers: "Executive Manpower Systems and Overseas Assignment Practices in Multi-National Corporations," by Theodore P. LeVino and William K. Cordier of the General Electric Company; "Developing the Military Executive," by David S. C. Chu and John P. White of the Rand Corporation; and "Executive Development in the Federal Service," by William T. McDonald, National Institute of Public Affairs. The next paper in this appendix is a description of the Foreign Service Personnel System and an identification of some of the current issues with respect to it: "The Foreign Service Personnel System," by R. Bartlett Moon, Office of Inspector General of the Foreign Service, Department of State. Finally, the question of overall management of personnel systems is discussed in the paper by Charles F. Parker, Jr., "Organization for Presidential Personnel Management Responsibilities with Particular Reference to Foreign Affairs Personnel."

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Foreign Affairs Personnel Management

James W. Clark
April, 1975

SUMMARY

The environment for international relations is changing at an accelerating rate; but foreign affairs personnel systems, and the people in them, tend to change more slowly. In fact, lacking consistent management, personnel systems and the "cultures" they produce have become obstacles to change and vital adaption.

Our leading personnel structure in this area, the Foreign Service, was developed from an English model and was given its essential form in the U.S. in the period 1924-1946. Its strength lies in producing diplomats highly skilled in conducting relations with other Governments.

Today's world adds a welter of complexities for the foreign policymaker. The issues (political, military, technical, economic) are increasingly multilateral—spreading beyond any one country or region, they involve new and vital economic and monetary concerns; they interweave domestic and foreign considerations (*e.g.*, oil); they involve technical matters like space, oceans, and nuclear proliferation as major thrusts of policy. The number of "actors" in the foreign policy scene has proliferated—both domestic and "new" foreign affairs agencies in the U.S. and "new" international bodies (UN specialized agencies, regional development banks, trade groups, alliances, etc.). Finally, Congress and the public show new interest in the making of foreign policy.

Moreover, U.S. foreign policymaking has shifted to the center: Washington or wherever the Secretary of State and President are. Only here can worldwide information be integrated with the full range of foreign and domestic concerns, and the policy options hammered out and decided. The overseas posts provide interpretive and analytic "inputs" to the central mill and tactical expertise in carrying out their portions of a larger scenario.

Our central task is to develop a personnel strategy for the President, the Secretary of State,

other agency heads, and the Congress, which is responsive to changing requirements. A long-range view is necessary in dealing with people, because actions taken now in the executive development and its junior officer recruitment, for example, may take 5-15 years for full payoff.

We examined many strategy options, including quite fundamental changes in existing systems. But the main thrust of our recommendations is to accept and strengthen existing personnel systems; to use each with discernment for what it does best; to introduce more adaptive flexibility; and most importantly, *to manage them from the perspectives of the President and the Secretary.*

Moreover, we would focus management attention on its most important responsibility: *developing executives* who are uniquely equipped to develop and implement foreign policy in today's world. This is too important a matter to be left to unguided operation of personnel bureaucracies.

The major elements of the strategy recommended are:

State Department

- Place major emphasis on building a Washington-based staff which can support the Secretary in overall policy analysis, in functional specialties, and in coordination with other agencies. Place greater responsibility on chiefs of functional bureaus in developing staff to do the job.
- Use more effectively all personnel authorities available to the Department, including the Civil Service. The variety and flexibility of State personnel authorities is a strength.
- Focus responsibility for Departmental personnel management on a new *Under Secretary for Management*, who should be broadly experienced in foreign affairs and management.
- Create a professional personnel management function with a departmental view—not domi-

nated by the Foreign Service. The Director General should be concerned only with the administration of the Service and should report to the Director of Personnel.

- Establish a State executive development program reporting to the new Under Secretary and separate from, but complementary to, the other personnel functions. It would make recommendations on filling designated executive jobs.

Foreign Service

- Recognize the unique purpose of the rank-in-the-man Foreign Service as being the staffing of overseas posts and the conduct of bilateral relations.
- Within this mission, *increase emphasis on foreign assessment.*
- Change to department-wide recruitment based on new examining procedures, with choice for Headquarters or Foreign Service and functional specialization after two tours of duty and a junior "threshold" review. The first two tours would be "untenured".
- Move to semi-automatic promotion for Foreign Service Officers in mid-career, eliminating promotion boards and the paper process. Within this approach, provide fast promotion to reward special achievement.
- Promote into senior grades (02 and above) only to fill specific jobs.
- Reclassify all senior jobs to reduce the current overgrading and force responsibility into mid-career ranks.

Government-wide

- Make clear Presidential interest in the personnel systems of international services throughout the government, particularly in their executive development programs. The President should issue policy guidelines to encourage interchange and broadening of personnel throughout the foreign affairs community.
- Establish a Foreign Affairs Executive Service (FAES) to fill jobs the President designates in State and all other agencies.
- Assign to the Secretary of State, using the executive development function of the new Under Secretary, responsibility for administering the FAES under Presidential charter.
- Focus the Board of Foreign Service on advisory role to the Secretary in matters of inter-agency concern. Reduce State membership; add agencies with Governmentwide perspective (OMB, NSC); strengthen staff work; and make the proposed Under Secretary chairman.

- Urge a national determination as to whether economic development is to be a continuing function. This is a prerequisite to placing AID personnel recruitment and management on a sound basis.
- Defer merging USIA officers with the Foreign Service as a new functional cone, as proposed by the Stanton panel.* Personnel should continue to be administered separately by the proposed Institute for Cultural Affairs.
- Make FSI a major instrument in the government-wide approach to training and executive development in foreign affairs community and rename it the Foreign Affairs Institute (FAI).

State Employee-Management Relations (EMR)

- Revoke the separate Executive Order governing EMR in the foreign affairs agencies and use the regular Government procedures under E.O. 11491, except that *officers serving in rank-in-the-man systems should be exempted (like FBI and CIA).*
- Continue representation of the interests of rank-in-the-man officers through the American Foreign Service Association (AFSA) and other professional associations.
- Take the Board of Foreign Service out of EMR field and build and use professional staff capability reporting to the new Director of Personnel.

I. THE SETTING

The Secretary of State has from the beginning of the Republic provided the principal advice and support to the President in his constitutional duties of conducting the foreign policy of the United States. The Secretary is the senior member of the Cabinet, and his Department is the oldest in the Executive Branch. Though there has always been a connection between foreign and domestic policy, the Secretary historically has maintained possession of a workably clear policy area and jurisdiction.

State's primacy has come from its closeness to the President and its links with ambassadors and posts abroad, providing the Chief Executive with most of his information as to what was going on in the world. The establishment of a professional foreign service in the Rogers Act of 1924 greatly strengthened the Department's capabilities in this regard.

*Center for Strategic and International Studies, *International Information, Education and Cultural Relations: Recommendations for the Future*, 1975.

A. The Changing Framework of Foreign Policy

World War II and the postwar era brought a marked change in the role of the Department of State. There was a quickened tempo of international relations brought on by heavier U.S. involvement in the world's military, economic, technical, and political affairs; by postwar reconstruction of war-exhausted economies; by emergence of bipolar rivalry in Europe and around the globe; by expansion of Communist power in Asia; by the instabilities of newly independent and underdeveloped countries around the world; by the economic resurgence of Japan, Germany, and West Europe; and by the rise of international trade and multinational business operations.

These changes focused the spotlight more clearly on the Secretary of State as a formulator of foreign policy and expanded the supportive task of the Department. But they also brought to the fore new issues, new conditions, and new agencies which were to tax the conduct of foreign relations as we then knew it.

1. THE ISSUES

First, the issues of foreign policy have shifted markedly from those focused on bilateral relationships to complex multilateral concerns. This increasing interrelatedness of issues is characteristic of a highly interdependent world with its high volume and speed of communications. Vietnam, for example, was played on a broad world scene which involved U.S.-Soviet relations; the interests and intent of China and its changing relation to the Soviet Union, the support and concerns of NATO allies; the interests of Australia, Indonesia, Korea and Southeast Asian countries, to name a few. The oil crisis involves groups of producers and consumers attempting to grapple simultaneously with price/supply and political problems. The problem of controlling nuclear proliferation is inherently multilateral, starting with the major nuclear powers but extending to many countries. The U.S. opening to the People's Republic of China had similar links to most other major countries and regions.

Second, there is a greater *interpenetration of domestic and foreign policy*. Domestic political, social, and economic factors weigh more heavily in the scale of foreign policy development. The public and congressional reactions are more quickly felt and communicated to other countries. Domestic farm policies applied to wheat, rice, or soybeans may become *cause celebre* in the international scene, and vice versa.

Third, *economic issues play a larger part* in our concerns. U.S. markets have long been a prize for many

countries. We have substantial resource allocation problems in maintaining our foreign policy commitments, particularly in relation to domestic considerations. With balance of payment problems, we are forced into governmental concerns with export promotion, investment flows in and out of the country, travel abroad, overseas troops, and civil establishments. Monetary developments in the Eurocurrencies affect the dollar. Oil and other resource scarcities fuel U.S. inflation and strike at the very roots of our national power. Multinational corporations, with U.S. corporations leading the way, attempt to optimize development, production, marketing and distribution, investment, and financing functions across national boundaries.

Fourth, *technological issues have emerged* in the foreign arena. U. S. technology, where we have a comparative advantage in many fields (possibly decreasing), is a major instrument of policy with the Soviet Union, East Europe, and developing countries. Threats to oceans and ozone from oil tankers and supersonic transports require U.S. policy leadership for solutions. Space becomes a means of detente. Military alliances like NATO become concerned with program analysis and solving environmental problems. Population control absorbs significant U.S. research investment and has become an objective of U.S. policy. Oceans may provide solutions to food, mineral, and energy needs, thus requiring new U.S. policy initiatives. Antarctica may provide the key to global weather and water levels.

2. THE CONTEXT

The general political framework is also undergoing profound change. *Power is being diversified and fragmented*. The bipolar world with its cold war rivalries was dangerous but in a way far simpler than the world today. The "world leaders" have much more difficulty working their wills in many areas or in mobilizing support of their "allies." Smaller nations reach for new goals and maintain power through combinations of insurgent force, armed threat, terrorism, economic pressure, and shifting associations in the United Nations. In fact, even within the fundamental unit of the nation state, political power is being diffused among shifting alliances, often barely able to govern. Ethnic and racial minorities, provinces, and tribal and religious groups raise new demands and sometimes secede. International bodies—weakens by the reluctance of big powers to table vital issues, by the tyranny of large majorities of small countries, and by the timidity of international bureaucracies—are becoming less effective instruments of action in urgent areas. This process of fragmentation of power and the rise of new issue groups not experienced in the

exercise of power has made consensus more difficult, paralyzed action, and increased frustration and disillusionment.

This condition has led Harold Isaacs to conclude: . . . this fragmentation of man is one of the great pervasive facts of contemporary human affairs. It forms part of one of our many pervasive great paradoxes: the more global our science and technology, the more tribal our politics; the more we see of the planets, the less we see of each other. The more it becomes apparent that man cannot decently survive with his separateness, the more separate he becomes.*

At the same time, the movement and connections of individual Americans abroad has increased. America has begun to come of age as an international society. Going and living abroad is not as unique as it once was. There are up to 2 million Americans abroad at any one time. Private organizations and businesses maintain staffs totaling 50-100,000 Americans abroad, a far larger number than in our civilian U.S. government establishments overseas. Scientists and scholars move back and forth freely and have direct contact with organizations and researchers in their fields of interest. The more than 450,000 U.S. troops abroad are backed up by 320,000 dependents and almost 30,000 American Defense civilian employees and their 20,000 dependents. The U.S. civilian agencies employ 18,600 Americans abroad, of which State only accounts for 5,500. This all adds up to a greater number of official representation problems, but also to a greater quantity of informal, cultural, economic, and technological relations which may assume increased importance as our political-military relations recede somewhat.

3. THE AGENCIES

Mainly in response to some of these trends, there has been a *growth in the number of U.S. agencies* involved in the conduct of international relations which has produced rivals—to some extent—to the Department of State.

(a) First, most of the *old line departments and agencies*, starting with Defense, Treasury, Agriculture, Commerce, and Labor, take a strong interest in aspects of U.S. foreign policy in order to carry out their governmental functions. They have personnel overseas and maintain intermittent or regular contacts with officials of foreign governments. It is a rare department which does not have its Office of International Affairs in Washington.

(b) In the 1950's and 1960's, the growth of U.S. involvement and leadership abroad has spawned a

new set of agencies to carry out more operational and specialized aspects of foreign affairs including CIA, USIA, AID, ACDA, and the Peace Corps.

(c) Close behind are new technological agencies of the postwar era which almost immediately exerted high interest in international activities: *e.g.*, Energy Research and Development Agency (formerly AEC), the National Aeronautics and Space Administration (NASA), the Environmental Protection Agency, the Federal Energy Agency, and the drug control activities of the Department of Justice.

A similar process has been at work on *the international level*. The growing world complexities and interdependencies have produced a family of international organizations: the UN itself; a dozen specialized UN agencies (*e.g.*, UNDP, WHO, FAO, etc.); the World Bank and the IMF; regional development banks; regional alliances with permanent organizations (NATO and OAS); the European Community and developed country organizations (OECD); trade units (GATT and UNCTAD); and finally resource groups like OPEC.

All of these developments have complicated the bilateral representational problems; they have also meant that traditional national rivalries are played through a maze in multilateral settings.

B. Impact on the Conduct of International Relations

The accelerating rate of change in interdependence, technology, global issues, and number of actors on the scene is bound to affect the way we do business abroad. The pat world of bilateral diplomacy has been forced to give way. Gone is the quiet autonomy of the overseas post where officers could reflect upon the world scene between carefully crafted dispatches to Washington. Gone are the plenipotentiary powers of ambassadors to negotiate significant treaties in the name of the President; only the title and perhaps some of the aura remains. Gone is the embassy with only accredited Foreign Service Officers on the staff.

Today, major negotiations are undertaken by special emissaries (*e.g.*, SALT talks, or recent negotiations on the Panama Canal Treaty) fresh from Washington where positions have been prepared in light of global and interagency considerations far beyond the ken of the ambassador and his country team. Or the negotiations may be by the Secretary of State in shuttle diplomacy. More likely, there will be a major international conference on food, oil, oceans, arms reduction, trade, monetary affairs, etc., led by special delegations or even the Secretary. Or the President may take on major bilateral initiatives with the Soviet Union or the Middle

*Harold R. Isaacs, "Group Identity and Political Change: The Politics of Retribalization," Bulletin #31, *The International House of Japan, Inc.*, April 1973.

East. In many cases, the Ambassador may have less than full knowledge as to what is really moving the U.S. policy which affects the country to which he is assigned.

It is inescapable that the *decisions in foreign policy are being made and will increasingly be made in Washington*. This is a function of technology, complexity, and interdependence. The information flows at headquarters to stay informed are voluminous; the analysis of considerations and options is time consuming; the deadlines for action are tight; not everyone can be told what is really going on for fear of leaks. Centralized strategic planning is more and more required; responsibility for the execution of bilateral tactics lies substantially but not wholly in the country mission.

There are new dimensions to foreign policymaking in Washington stemming from the large number of agencies, the immediacy of domestic issues, congressional interests, pressure groups and ethnic politics, and rapid public relations. There are no better examples than those of oil and food. In the case of oil, no fewer than 20 Federal agencies have a burning interest in how we handle this problem. Preparatory negotiations between agencies and interests in the U.S. may be even more strenuous than negotiations with foreigners. The hardest task in settling the Panama Canal issue was that of getting agreement among State, Defense and Congress as to where our longer term national interests lay.

And yet simultaneously the task at the posts and missions becomes more difficult than it was before. There are more people to coordinate; more specialists coming through on temporary tours; more travelers; more businessmen seeking investment and trade advice; more treaties to administer; more cables demanding information on a broader range of subjects; more high-level negotiations for which to prepare principals; more communications to convey to other governments; and more influential people to cultivate. Even more important, *a major change in emphasis is required toward assessment and analysis* if the work in the country is to mesh effectively with strategic planning at State Department and at Presidential levels in Washington.

Overseas, steps have been taken to clarify and strengthen the Ambassador's role as the coordinator of foreign policy and agency operations in the country to which he is accredited. Starting with President Eisenhower, stated more specifically in President Kennedy's letter to Ambassadors in May of 1961, and reaffirmed by Presidents Johnson and Nixon, Ambassadors were instructed "to oversee and coordinate all activities of the United States" in their countries, except military forces in the field under an area commander. In 1974, similar authority was enacted into law. State Department and

other U. S. officials *abroad* assist the Ambassador in this coordination role.

However, the Department in Washington has—and can have—no similar authority. In Washington, State is, at best, *primes inter pares* in matters of foreign policy. A number of State-led interdepartmental committees at country, region, and departmental levels have been established to help integrate policy and coordinate activities at their respective levels. But the Washington foreign policy coordination problem remains.

II. EXECUTIVE DEVELOPMENT FOR THE MAKING AND MANAGEMENT OF FOREIGN POLICY

A. Focus of the Study

People are a most important ingredient of foreign policy. They are the main resource to be managed. People make contacts at the posts overseas, gather and evaluate information, develop analyses for anticipated problems, mobilize special knowledge, integrate multiple variables and options, conceive new courses of action, hammer out positions among differing agencies, mobilize public support, persuade allies, conduct negotiations, coordinate various activities to common ends, and evaluate results.

As all executives know, the right people make the difference between good or mediocre performance, or even failure, in any enterprise, and people near the top count most. Finding the right people is perhaps the major task of management. The President of AT&T has said that one third of his time is spent on executive development and recruitment. Presidents of the United States have found that in the frenzy of forming a new administration, the executives they choose for key jobs can make or break an administration. The ball game may already be into the late innings by the time key cabinet and subcabinet posts are filled.

This study is concerned primarily with how we manage career personnel in key foreign affairs activities, particularly those at executive levels. We will also consider the Presidential political appointments (subject to Senate confirmation). But emphasis will be on the development of a *pool of executive talent at career levels*, from which of course Presidential appointments can be made.

Past studies have focused on the Foreign Service of the State Department, and to some extent the foreign affairs agencies. We also will focus on the Department of State. But given the framework of international relations discussed above

and the number of agencies deeply and necessarily involved in foreign policy, we must consider the personnel systems and requirements of other agencies which contribute substantially to the President's role.

Personnel systems must serve an end—they must produce the best people to accomplish a job. In our thinking, we have attempted to use a pragmatic approach which starts with the framework of international relations, moves to the nature of the jobs to be done, to the kinds of skills required, to the best source of these skills, to the kind of systems to attract, retain, and develop the best people.

One system may not do all jobs equally well. Different systems may be required for specific missions and kinds of talent. In fact, we find considerable diversity in systems to be the rule in Government personnel management, even within an overall Civil Service framework and even within a given agency. This diversity is apparent whether one looks at NASA, HEW, or CIA.

Our objective in the study is a cohesive strategy in personnel management for a President, Secretary of State, and other department heads involved in international affairs which obtains the best qualified people for the jobs to be done and which is in tune with current realities and conditions. We assume that, because of the importance of the area to the nation's security, foreign affairs personnel management should lead, not follow, other areas of government. Thus, our strategy should point new directions for government in general.

Yet a progressive personnel strategy in this oft studied area does not suffice. We must be concerned with *implementation* and ask why so many good recommendations from the past studies have not been carried out. It is not sufficient to say we need better management of personnel resources. We must try to isolate the specific ingredients of management which are missing and determine realistically what can be done to supply them.

In the final analysis, implementation comes down to the understanding and will of a President, a Secretary of State, and the Congress in settling only for an effective, functioning personnel management system and in finding the administrators to develop and implement it. The success or failure of an improvement effort will depend on these key appointments and the clarity of the mandate they are given by their political principals.

In developing its recommendations, the Commission has attempted to tap the best relevant experience in personnel management in government, the military services, and industry. It has used consultants from these areas and its staff has interviewed widely. Of particular interest was experience in executive development and manpower planning.

B. Lessons of Executive Development in Other Areas

Considerable lip service is paid to executive development in management literature. Everyone favors it; personnel studies recommend it. But very few effective, systematic examples can be found. This led the Commission to request three papers on this subject:

Executive Manpower Systems and Overseas Assignment Practices in Multilateral Corporations—Theodore P. LeVino and William K. Cordier
General Electric Company

Developing the Military Executive—David S. C. Chu and John P. White
Rand Corporation

Executive Development in the Federal Service—William T. McDonald
National Institute of Public Affairs

Our main interests were to identify *the basic criteria or conditions precedent* to establishing effective executive development. Because of its important bearing on the conclusions and recommendations that follow, some of the findings of these studies are summarized here.

1. MULTINATIONAL CORPORATIONS

Private companies have given much more thought and emphasis to systematic executive development. The experience of widely recognized leaders in this field (*e.g.*, IBM, EXXON, GE) is summarized in the LeVino-Cordier paper cited above. Moreover, the compelling reasons behind their special efforts are easier to see. However, the considerations which bear upon them are equally applicable to government and all large organizations.

First and foremost, the task of managing in an increasingly complex, fast-changing world means that the *old techniques of executive growth and promotion are inadequate*. Companies are growing in size, but more importantly, they are diversifying and operating on an international basis. Companies that used to have one or two basic products may now be in ten or a dozen different businesses, each with a varied line of products. Where the company had once dealt primarily within the U.S. market and its legal and governmental framework, it now operates in 20 or 30 major countries, both on the production and marketing side, with all of the financial, monetary, political, and social complexities which come from this expansion.

Suddenly, growing companies are faced with an executive corps no longer attuned to the business they are in. An executive may have been "grown"

primarily within one function or one product line. His approach, shaped by this predominant experience, may not be fully relevant to running a multinational business line or operating at the top corporate level.

Broadening for executive levels is not easy. Most multinationals operate on a decentralized basis through subsidiaries. Each subsidiary has its own performance pressures and likes to husband its own executive talent. It takes top management will and an organized and equitable effort to overcome natural resistances and to select and develop executive talent across the decentralized units. But it must be done if the organization is to survive in a competitive and complex world.

It is interesting to note the fundamental approach to executive development used by these companies. There is a considerable difference between early career experience and later experience. The companies recruit the best talent available at junior professional levels for specific jobs in a particular function or part of the company. In other words, *the junior officer becomes a specialist first and on the basis of proven performance in a succession of specialist jobs, plus training, works his way to the "generalist" or executive levels at the top.*

In his first years, he may be a good production man, marketing expert, financial analyst, etc., in a particular product area. As he moves up the ladder, he supervises more people and *he begins to integrate specialties in the management of businesses.* From here, he must progressively demonstrate the capabilities of corporate leadership and management, dealing not so much with today's problems but with the actions required to assure the corporation's viability and strength for the future. His primary skills may be *the ability to think strategically and systematically and to integrate the welter of crosscurrents and variables which bear on policy in a conglomerate giant.* No one is identified for these top activities at entrance level. The executive-generalist role is earned by performance.

According to the LeVino-Cordier paper, the executive manpower systems of leading large industrial businesses tend to have the following common characteristics:

1. *The top executive is personally committed to and involved in the system.* He personally inspects plans, reviews progress, rewards results, and rejects proposals that reflect inadequate manpower planning.

2. *All managers in the hierarchy are held accountable for the development of subordinates.* They recognize and fulfill their obligations for delegating, coaching, encouraging, helping people get promoted, removing personnel who can't perform, etc.

3. *It is recognized that producing an internal upward flow of competent executives is a long-term proposition.* No

quick miracles can be expected; the program cannot be subject to stop-start or frequent changes in course. Executive development is a "way of life."

4. *Executives are promoted on the basis of performance and achievement.* The system rewards excellent performance and successful innovation. Loyalty and longevity are virtues but are given relatively little discriminating weight in the system. Nepotism and favoritism and old-tie biases are absent.

5. *Employees understand that they can realistically aspire to positions at all levels in the hierarchy,* including the very top. No class or layers of positions are reserved for an external or elite candidate stream.

6. *The system has been designed and tailored to the needs of the company and reflects its uniqueness.* It has generally grown out of the marrow of the institution and is fully compatible with the mission and objectives. The various "feeder" subsystems are considered part of the "pipeline" or "farm system" of the overall corporation.

7. *It is recognized that executives develop primarily on-the-job,* and, thus, jobs are used developmentally. Growth patterns of experience, exposure, challenge, etc., have been identified and constitute career planning frameworks, but not rigid tracks. Training courses, seminars, and workshops are employed for skill and knowledge acquisition, for reintegration and calibration of career sights, and for wringing learning out of work experiences.

8. *Special executive development staff functions are required.* Although line managers make the system work, staff dedicated to this function with *corporate-wide perspective* serve as talent scouts, candidate data sources, career counselors, systems consultants to executives, etc. Such staff usually have easy direct access to the top corporate management. They also have counterparts in various line operations who concentrate on lower levels of management, thus heading up a *corporate communication network.*

9. *An annual manpower plan review is commonly employed* and judged to be the single most potent tool in producing the desired results. The process starts with individuals updating their work histories and desires for future development and career progress. It proceeds through discussions with supervisors and then of supervisors with next-level managers. In summary and person-by-person, the plan develops, covering actions to be taken for high potential people, opportunities to be scouted, and situations needing scrutiny. The process continues layer-by-layer to the top. From this, essential data is drawn off for company inventories, placement activities, compensation summaries, course attendance, and a variety of special analyses.

It is important to note that the above sketched approach to executive development supplements but is *separate from ongoing personnel and employee-management activities.* It is precisely because the regular

processes do not serve the needs of executive development that the special systems exist. For example, the regular performance evaluations with their tendencies to halo ratings—while grist for the mill and perhaps adequate at subordinate levels—are supplemented by the *separate, in-depth analysis of individual candidates* by a trained professional staff with a truly corporate perspective. Each executive development staff member is expected to form his own picture of up to 35 new candidates per year through interviews of the man, his supervisors, his subordinates, and his peers. (A given staff member can handle a *total* of about 100 executive “cases”.) The process provides top management with an objective “third” view, in addition to those provided by supervisors and line managers and the man’s file.

2. THE MILITARY EXECUTIVE

The military executive is produced in a closed, rank-in-the-man system more akin to the Foreign Service. The military establishment, like the multinational companies, is made up of separate services (Army, Navy, Marines, Air Force), each with multiple subservices and specialties (artillery, submarines, bombers, missiles, intelligence, etc) which largely absorb officer personnel in their early years. The military executive is defined as the General Officer.

Here again, there is a wide variation in skills required between early years of the military career and the executive level. In early years, the military services want specialists proficient in their weapons and competent unit commanders and tacticians. From this talent pool there is a highly competitive process of selection of executives with strategic, cross-service capabilities. Several relevant observations should be made:

- The process is highly competitive. Only about 1/2% of the total officer corps attains executive levels so defined. Selectivity is the key ingredient for maintaining executive quality.
- The major threshold is that between Colonel (Navy Captain) and General Officer (from 16,000 in the former to 627 in the Brigadier/Rear Admiral grade).
- Rank-in-the-job is rigorously employed at the top general officer level.
- A major means of achieving the progressive reductions is the 20-year retirement permitting officers to leave without personal stigma and to turn to alternative careers. It is a well accepted practice.
- The career has high mobility and job turnover averaging two years per tour. The selection process evaluates, in effect, the ability of an officer to take hold and achieve quickly in a new assignment.
- Training is a much higher component of the

military career, averaging 3–7 years across the services for a 25-year career. It is well scattered through the career, ranging from specialty-oriented training in early years; through higher-level command, tactical and management training; to strategic political and military subjects. There is a healthy amount of university training in systems analysis, management and economics.

- Two of the services have emphasized development of a secondary skill in mid-career (*e.g.*, pilots transition to management functions, finance, personnel, etc.).
- The career has an orderly progression of staff and line assignments (staff experience ranges from 9–13 years of a typical career).
- Personnel management is taken seriously by the management of the services. The Director of Personnel is of 3-star General rank reporting directly to the Chief of Staff, who devotes considerable time and attention to the system. The services build considerable functional competence into personnel management—both officers and civilians. They use very sophisticated manpower planning techniques.
- There is a process within Defense for selection from among the services of personnel to fill key jobs in the Joint Staff, the Chiefs of Staff, and the unified commanders. It is mainly at this level, plus top service jobs (three-star and above), that political levels become involved. The process is not highly formalized.

Problems still to be resolved in the career military service have a familiar ring: (1) how to develop adequate expertise given the high rates of job rotation; (2) how to balance career rewards to line officers and specialists to the satisfaction of both; (3) how to define more clearly the characteristics desired for senior officers; and (4) how to remold the senior level training programs to produce the right balance between military subject matter and general executive broadening.

3. EXECUTIVE DEVELOPMENT IN THE FEDERAL SERVICE

In the last decade, there has been a leavening interest in executive development in the Federal Service. By and large, executive development is an agency responsibility, and most agencies have established programs for developing and training executives from within their own confines. Some of these programs, like Veterans Administration, TVA, and Internal Revenue Service have been adjudged highly successful. But to a large extent, the larger departments have had difficulty in developing effective systems which cross the large and highly autonomous bureaus.

However, major pressure for improvement in

this area has come from the Civil Service Commission (CSC) and the Office of Management and Budget (OMB). In 1968, the Commission, with Presidential approval, established the Federal Executive Institute as a residential staff college for supergrade careerists adjacent to the University of Virginia in Charlottesville. In 1971, the Commission, with OMB support, issued to all agencies *Guidelines for Executive Development in the Federal Service*. Agencies followed this by developing written policies and plans for executive development. As a prod to faster action, OMB and CSC selected twelve agencies for demonstration, made a further survey of resources devoted to this area, and organized an interagency program to train annually twenty-five GS-15's with executive potential.

The Commission's most formidable effort in this area was to propose legislation in 1971 to establish a *Federal Executive Service*. There were 5 main features to the bill:

- to provide agency heads with more flexibility in administering supergrade executives, both as to numbers and pay scales. (The numbers would be established by the agencies after central review and grades would be abolished. Congressional approval would be required, but would be considered granted after a 90-day wait.)
- to reduce the distinction between career and noncareer (which could be 25% of the total) executives, with both selected on merit.
- to introduce a renewable 3-year contract for executives, which if not extended, would result in retirement or return to GS-15 status.
- to provide for flexible assignment or reassignment of career and noncareer executives to any duties within the scope of the Federal Service.
- to encourage executives to participate in training and development programs.

This bill was to recognize the realities of executive employment and, with the concepts behind the Federal Executive Roster, would introduce more flexibility in managing and developing executives across bureaus and agencies. The legislation failed to pass the Congress, but the Commission is planning new, modified proposals. Observers familiar with this area believe that some legislation establishing a Federal Executive Service may be enacted by the Congress in the next five years.

III. THE DEPARTMENT OF STATE

The Department of State, one of the smaller departments of the government, has a total of 23,000 people, about 12,100 of whom are Americans. Its

FY 1976 budget totals about \$950 million. It spends \$380 million for personnel services, \$120 million of which is reimbursed from other agencies which it services. State operates 260 posts overseas—132 embassies, 9 special missions to international organizations, 74 consulates-general, and 45 consulates.

State, like most departments, operates not one but a number of personnel systems. The end 1974 strength of *American professionals by personnel system (or category)* in Washington and the field is presented in Table 1.

The full-time American employment totals have been shrinking in recent years, especially overseas. The reductions since the peak in 1968 are set forth in Table II:

TABLE II—COMPARATIVE AMERICAN STRENGTH, 1968 AND 1974

	Washington	Field	Total
Number of Americans, end of 1968	7,130	6,675	13,805
Number of Americans, end of 1974	6,541	5,581	12,122
Reduction	-589	-1,094	-1,683
Percent	-8%	-16%	-12%

In recent years, Presidents, Secretaries of State and other foreign affairs practitioners have expressed considerable dissatisfaction with the performance of the Department of State. President Kennedy, according to Sorenson, "was discouraged with the Department almost as soon as he took office. He felt that it too often seemed to have built-in inertia which deadened initiative and that its tendency to delay obscured determination. It spoke with too many voices and too little vigor." Kennedy once referred to the Department as a bowl full of jelly, and Arthur Schlesinger reported that "he used to divert himself with a dream of establishing a secret office of thirty people or so to run foreign policy while maintaining the State Department as a facade in which people might contentedly carry papers from bureau to bureau."*

President Nixon, in his 1968 campaign, referred to State as "the routine men who have been architects of policies of the past," and added, "I want a Secretary of State who will join me in cleaning house in the State Department. . . . It has never been done."

There is a *pattern to the criticisms* of State and its personnel which appears to run along the following lines:

*Arthur M. Schlesinger, Jr., *A Thousand Days; John F. Kennedy in the White House*, Houghton Mifflin, 1965, pp. 406-413.

**TABLE I.—STATE DEPARTMENT PROFESSIONAL STRENGTH BY PERSONNEL CATEGORY
(END OF 1974)**

	<i>Washington</i>	<i>Field</i>	<i>Total</i>
Executive Level	20	125	145
Foreign Service Officers (FSOs)	1,333	2,119	3,452
Foreign Service Reserve (FSR)— limited tenure specialists	772	585	1,357
Foreign Service Reserve, Unlimited (FSRU)—fully tenured specialists	162	112	274
Foreign Service Staff (FSS)— administrative personnel abroad, e.g. communications and clerical	277	852	1,129
General Service (GS), Civil Service personnel	1,527	1	1,528
Total American Professionals	4,091	3,794	7,885

- lack of Presidential or Secretarial perspective—the tendency to be advocates of country and regional concerns rather than rigorous integrators of U.S. national interests, domestic and foreign.
- lack of responsiveness, leading Presidents and Secretaries to establish their separate staffs and private sources of analysis.
- lack of innovation or policy leadership.
- a preoccupation with bilateral relations in a world where foreign policy issues are rapidly becoming multilateral.
- lack of specialized or managerial competence and ability to interact constructively with “expert” agencies in developing policy which reflects national interests.
- lack of appreciation of the currents of domestic opinion and interests which affect foreign policy, particularly those coming to focus in the Congress.

All of these criticisms reflect upon the quality of State’s general organization and direction as well as its personnel management. Yet, there is a significant paradox here. Many of the most senior practitioners of the nation’s foreign policy over the last generation consulted by the Commission repeatedly praised the high quality of State Department personnel *as individuals*, even as they decried the institutional ineffectiveness of State. Foreign Service Officers are considered able and dedicated professionals; not at the bottom of the interdepartmental competence ratings, but at or near the top.

The difference between the high individual assessment and low corporate performance is the main concern of this section. *The answer is poor management of human resources*, which is indicative of poor management in general. The large number of external studies and the unimplemented, recurring

recommendations are symptoms of the problem. One would have to conclude from the record that there has been no sustained attention to personnel management from the top since George Marshall.

Four main issues will be addressed in this section:

- strengthening functional competence
- improving personnel management in the Secretary’s perspective
- using the variety of personnel authorities effectively.
- establishing an executive development program.

A. Strengthening Functional Competence in Washington

The problems of State faced by this Commission are almost exactly opposite those faced by the Wriston Commission. At that time (1954):

- The FSO Corps was small (about 1300) and, because of its aversion to lateral transfer and troubles with recruitment, could not meet the expanded demands of postwar diplomacy.
- The Departmental Service was strong and too clearly delineated from the FSO Corps. It was predominantly Civil Service which did not go overseas. In 1954, the number of Civil Service professionals (GS-9 and above) in Washington was 50% larger than the worldwide total of FSOs.
- The FSO spent too much time abroad and in fact many officers were not meeting the legislative requirement of 3 years out of their first 15 in Washington.

The solution, known as Wristonization, was to increase the number of jobs designated for Foreign

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Service Officers, both in headquarters and the field, and to blanket into the FSO Corps by lateral entry Civil Service and FSR personnel. In all, about 1100 officers were "Wristonized," about 500 from the Civil Service and the balance from the FSR category in the two years 1955-56. These measures, plus increased intake, produced sharp changes in the next 6 years. By the end of 1960, the FSO Corps had grown from 1,300 to over 3,700; the total Foreign Service had grown from 5,700 to 8,300. The Civil Service professionals declined 18% in the same period.

Today, the major personnel problem facing the Department is not the size and quality of the overseas staff or its competence in bilateral political relations. *It is the expertise and continuity of the Washington staff to support the Secretary in dealing with the complex policy issues in the difficult interagency arena.* The concerns are largely whether the Department has the functional competence and bureaucratic skill to play an effective role in the development and coordination of policy in complex fields of trade and investment, international monetary matters, food production, energy, deep ocean mining, environment, military and arms control policy, technology exchange, promoting non-government exchanges, etc. All of these are areas where domestic and foreign policy are intermingled.

There is widespread agreement that the effectiveness of State personnel in these functional areas in Washington (in the functional bureaus and geographic bureaus) is at a low ebb. The problems have been cited by committees of the Commission on the Organization of the Government for the Conduct of Foreign Policy, its research staff and consultants, the personnel of other agencies, and people in State itself. They fall in almost all of the areas: political-military, economics, cultural exchange, international organizations, oceans, environment and science, intelligence and research, etc.

We believe that the basic reason lies primarily in the gradual erosion of continuity-type personnel. There are 1500 professional civil servants in the Department; only about 700 of these are in the GS-12 level and above. Many of these are in the upper age categories and are now approaching retirement. A great many offices are virtually without institutional memory. There were instances cited by the interviewers where State has taken policy action, unaware of an inconsistency with agreements signed with other Governments four years before. (This lack of continuity affects efficiency not only in functional bureaus, but in geographic bureaus as well.)

Moreover, there is inadequate understanding of the structure of the U.S. Government and its bureaucratic processes. State needs personnel who understand the requirements of related domestic programs and who know how to pull the bureau-

cratic levers to obtain better integration of foreign and domestic policies in these areas.

Foreign Service personnel fill larger and larger numbers of key Washington jobs. They generally rotate every two years (the policy is moving toward four years per tour in Washington, but this usually covers two assignments). The Bureau of Economics and Business Affairs is an exception in requiring 4-year assignments by Foreign Service officers, but here 75 percent of the Bureau's personnel is now composed of FSO's.

Under present arrangements, when an assignment comes open in a functional bureau, the Personnel Office exerts pressure to use FSOs who are in need of Washington assignments. The functional bureau chief may have identified a highly qualified candidate from outside the Department but *appointment requires an exception to policy by the Director General of the Foreign Service.* The exception is granted after a determination that no one in the FSO Corps has the necessary qualifications, and this takes time. There are instances where this process has stretched from nine months to two years. By this time, the outside candidate has gone elsewhere.

Moreover, Foreign Service Officers usually do not like assignments in the functional bureaus (there are exceptions to this). They tend to suffer through the 2-year tours, meanwhile thinking about their next assignment back in the "mainstream." In some instances, the officers sent to these bureaus are those who are deemed less qualified for the mainline assignments in the geographic bureaus. Some are in senior grades and are "parked" in the functional bureaus until retirement.

This is not a statutory problem. The Department has flexible personnel authorities to obtain all of the talent it requires from a variety of sources. It has Civil Service authorities under which expert talent can be brought into permanent Washington assignments. It has FSR authorities to bring experts for shorter term assignments up to 5 years; and the people can be converted to FSR Unlimited (full tenure) or FSO if performance warrants and they wish to undertake occasional foreign assignments.

It is strictly a *policy problem* imposed by the Department in operating the current systems. The policy is to use Foreign Service for all possible jobs. *It is an excessive commitment to the high mobility generalist. It is based on the assumption that everyone in State should be willing to serve overseas and be able to conduct diplomatic relations, and that everyone who is useful overseas can be useful in Washington.*

As a result, there is great uncertainty today as to what to do with the Civil Service professionals who are by policy being reduced or phased out. A recent Civil Service Commission report was quite critical of vacillating policies of the Department in this regard. It urged State to address the central issue of whether or not the Civil Service should be con-

tinued, but put State on notice that if it did continue the Service, its administration would have to be vastly improved. A Departmental Task Force is now examining this question.

What kind of special competence is needed in the Department? The term "specialist" has been loosely used in the past and has a bad connotation within the Foreign Service.

A multitude of skills is required to run a modern Department of State, most of them in the headquarters. They cover a range of substantive fields as broad as foreign policy itself and almost as broad as the concerns of the government and the society from which foreign policy must spring. State Headquarters needs people with expertise in such fields as oceanography, geology, law of the sea, commodities, trade, intelligence, agriculture, munitions, technology and patents, the Antarctic, energy, missile systems, nuclear material production, etc.

When hired by State, the majority of the "specialists" will not be academic scientists or econometricians (although these may be required in some cases). More important is their *ability to appreciate and anticipate the foreign policy implications of their specialties and the interplay of domestic and foreign policy*. They should be able to contact the thought leaders in the field, both in and out of Government. They should be able to hold their own in policy-related discussions with experts of other agencies or governments. The experts should be able to work easily along with skilled bilateralists. In general, they should not have to plan to serve abroad, but should be available for backstopping assignments at overseas posts and conferences as the need arises.

There is also a major need for analytically-trained people who can deal in more sophisticated fashion with policy and systems analysis. Such people will be needed not only in Departmental Policy Planning, but in many of the geographic and functional bureaus, and even at posts overseas as the need arises. These people will tend to be younger, more highly trained, and economics-oriented. They would be able to challenge current policy and arrangements, fashion and evaluate options, and communicate with similarly inclined people in other agencies.

The Department also requires *deeper management specialists*, professionals who are fully current with manpower planning, career counseling, setting training requirements and techniques, executive development, and employee-management relations. The administrative areas of the Department have been working on borrowed capital. There is a need for expertise in financial management, computer applications, information processing, property management, and many other fields. Today's

techniques of security require technically trained people. The processing of passports and visas in mounting volume requires experts in systems analysis and work flow.

How can the Department *strengthen functional competence* to play the policy leadership role today?

First, it must strengthen the competence and continuity of the leadership in the functional bureaus. Of the eight functional bureau chiefs, five are FSOs and almost all of key deputies are FSOs. FSOs should not be barred, but they must be of top quality and should agree to serve at least four-year tours.

Second, the functional bureau chief should be given more authority under Departmental guidelines to hire the talent he requires from whatever source and under whatever personnel authority is required. If the source of talent is other government agencies or "think tanks", General Schedule (GS) authorities may be the answer. If it is the academic community or private organizations, where short-term assignments are desired, then FSR authorities are adequate.

Third, the functional competence in regional bureaus must be considered and strengthened. In some areas, outside talent might be a breath of fresh air in policy thinking. In other areas where talent is scarce (e.g., nuclear policy), its scatteration over functional and regional bureaus tends to weaken the Department's effectiveness, and consideration should be given to concentration of "assets."

Fourth, each Bureau Chief, working with Department management, should *develop a long-term (3-5 year) manning strategy for building needed competence*. The strategy should consider the mixture of functional and bilateral competence required, the needs of continuity, the kinds and sources of skills, and the best staffing plan by grade and category. This plan should be revised annually after discussions, and approved by top management of the Department.

Within the plan so developed, the Bureau Chief should proceed to hire the necessary people. He should be clearly responsible to the Secretary for the quality of those personnel. Central Personnel should play a supportive role.

B. Improving Departmental Personnel Management

1. THE SECRETARIAL LEVEL

The problems of personnel management, whether those of the Foreign Service or the functional bureaus described above, are symptoms of a more fundamental problem. The top management

of State is of necessity *policy and externally oriented*. The history of the past 20 years through a variety of Administrations is clear on this point.

All Secretaries of State have shown interest in management and a desire to make some lasting improvements in the working of the Department. These desires are recorded in speeches and private conversations. But sustained attention to internal management strategy and implementation has been lacking since the era of Marshall and Acheson.

There is always a chance that the future may be different, that we may combine in one person high skills in policy analysis, diplomacy, and management—skills of the true diplomat-manager. Given the nature and number of the other concerns of the Secretary, we cannot organize for personnel management on these probabilities.

Past studies have focused on the Number 2 man in the Department, now the *Deputy Secretary*. Many have felt he should play the role of "Mr. Inside," and preeminently concern himself with Departmental management. But here again, the record gives one pause as to the validity of this concept applied to State. As the alter-ego of the Secretary, he faces policy pressures heavier than the demands for internal management. The Deputy serves as Acting Secretary when the Secretary is out of the country. He is on tap with the White House and bears a large share of the burden of Congressional testimony. He is also absorbed in interagency problems, particularly with Defense. This problem is frequently exacerbated by fuzzy delineation of duties between the Secretary and his Deputy. The 1-2 relationship is always difficult, even with experienced managers involved.

It is not that the Secretary and Deputy do not get into management issues. They do move in and out as time permits. But what is required is consistent and systematic attention, even if it is support for orderly delegations of authority. Moreover, most Secretaries and Deputies are relatively short timers, and may or may not know much about the management needs and inner workings of the Department.

The number three man in the management line is the *Deputy Under Secretary for Management*. He is often given a mandate by the Secretary to manage and reform the Department at the beginning of his assignment. But within a matter of months, as the record shows, his mandate may be weakened or dissipated. This usually occurs when the first real issues are referred around him to the Deputy and the Secretary, who then decide in favor of the regional bureaus, and the reform movement collapses.

The greatest need is to develop a clear Secretarial view in the management of the Department. We conclude that it is feasible and logical to use the *Deputy Under Secretary for Management* as the major vehicle for meeting this need. But several things need to be done.

1. The President and the Secretary should have a concept of the management task to be performed and must take this into account in the selection of a Deputy Under Secretary for Management.

2. The man chosen must have recognized ability in management. He should also be experienced in foreign affairs and be capable of gaining the confidence of the Secretary and the Deputy.

3. The initial charter for accomplishing the job must be clear to the whole Department at the outset.

4. Appropriate lines of reporting to the Secretary through the Deputy should be developed along with arrangements to keep this job suitably abreast of the substance of foreign policy.

5. The Secretary should request development of a long range personnel strategy and, upon approval, must support the Deputy Under Secretary consistently in implementing it and refining it.

It is important to reemphasize that the Secretary remains responsible for the management of the Department and its personnel and that the Deputy Under Secretary is acting for him. Also, it is very important that the *personnel management be coupled with budget management* in the office of the Deputy Under Secretary for Management. The combination of budget and personnel provides the necessary strength to plan and carry out this difficult assignment.

In our view, the task is sufficiently difficult and important to the effectiveness of the Department and to U.S. foreign policy over the longer term to be elevated to *Under Secretary for Management*. This would be especially true if the cross-agency responsibilities for the Foreign Affairs Executive Service, discussed in Section V below, are adopted. This would require a change in law, but would not increase the current number of Under Secretaries in State (see Commission proposal on Department organization). Henceforth in this report, this job will be referred to as Under Secretary for Management.

2. THE DEPARTMENTAL PERSONNEL FUNCTION

In personnel management, the vacuum in consistent management policy from the top has been filled by the Foreign Service, the continuing body which cares most. Today, it dominates the Department in both the policy and management areas. This is accomplished primarily through the personnel management function where almost all of the principal officers involved are FSOs. The assignment process is, of course, the critical element in this control.

The real chief of personnel in the State Department is the *Director General of the Foreign Service*, who

by law, must be a Foreign Service Officer. The rotation in the job is high; there have been 13 Directors General in 28 years. The Director General who reports to the Deputy Under Secretary plays a key role in developing personnel policy and in making recommendations for filling key Departmental and overseas jobs, including ambassadors.

The person with the title of "Director of Personnel" reports to the Director General and has the additional title of Deputy Director General. This job is now—and is usually—filled by an FSO. Moreover, the four Deputy Directors of Personnel heading the major personnel functions are FSOs, as are most of the other major subordinate jobs in the personnel area.

This condition makes for a tendency to visualize personnel policy for the Department in terms of the needs and aspirations of the Foreign Service Corps. It results in high turnover and lack of professionalism in the personnel activities. It must be changed if the Department wants to develop a *professional personnel function* which meets in optimum fashion its needs for high mobility bilateralists and for *special competence and continuity*.

3. THE BOARD OF THE FOREIGN SERVICE

The Board of the Foreign Service is advisory to the Secretary of State concerning procedures and policies related to administration and personnel management of the Foreign Service. It was established by Executive Order and all functions are vested in the Secretary. The Board is composed of four officials of State, one representative each from AID, USIA, Commerce, Labor, and the Chairman of the Civil Service Commission. OMB has observer status. The current chairman designated by the Secretary is the Deputy Secretary.

In light of the proposals to strengthen *Departmental* personnel management, it would seem appropriate to review the role, functions, and membership of the Board of the Foreign Service. Its main continuing function might be to advise the Secretary on cross-agency aspects of overseas representation and reporting by the Foreign Service. Perhaps it should be given a wider role in advising on executive development and cross-agency exchange and training. Moreover, its role in employee-management relations is inappropriate and should be terminated (see Section VI).

With such changes in function, there should be changes in membership. State's representation might be reduced and other agency representation added, including representation from the OMB and the President's National Security Advisor. Consideration might also be given to ways of improving staff work, including interagency participation in such work.

C. The Nature of State's Overall Personnel System

There have been a number of recommendations in the past for a Departmental personnel system based solely upon Foreign Service authorities. It would be wholly separate from the Civil Service and all GS professional personnel would be converted into it. In some formulations, it would encompass USIA and AID into a family of compatible systems.

The latest formulation was proposed in late 1974 by the Department's Inspector General after a thorough review of the State personnel management functions. The proposal for a State-wide Foreign Affairs Personnel System was intended to respond to some of the glaring inadequacies in the current system (*e.g.*, low continuity in key areas, lack of specialized competence, poor classification practices, overgrading, mismatching in rank of people and jobs, cumbersome promotion procedures, problems relating to operating under a variety of personnel authorities, etc.). The main features of the proposed system were:

- (a) a single personnel system for State with no special identity for specific subunits (*e.g.*, FSO Corps);

- (b) a modified rank-in-the-man system, in which officers would be certified as *promotable* by current type panels but *promoted* only when a specific job at their rank exists;

- (c) organization of the System into skill ladders based on needs of a modern department with a hierarchical range of positions;

- (d) use of an 18-grade structure compatible with the Civil Service;

- (e) abolition of present cones;

- (f) identification of jobs and people as basically "continuity" or "mobility";

- (g) an open system permitting entry at bottom, middle and senior levels with appropriate standards and test procedures;

- (h) improved classification and manpower planning;

- (i) centralized operation of the system by Personnel (the Director General would be superfluous).

Interestingly enough, the proposed system was influenced by that now in operation at CIA. It is an excellent proposal deserving of consideration, although strongly opposed by State's Personnel Office. Some have characterized it as the reinvention of the Civil Service. However, it appears to be essentially correct in its diagnosis and thrust and may present *the right long-range solution*.

However, there are problems with it, most of

them tactical rather than conceptual: (1) It is a large dose of change for a system like State to digest; (2) it reduces the identity of the separate FSO Corps with its high traditions; (3) it maintains some of the gulf between the personnel systems of State and other agencies, even if better aligned; and (4) it requires a high degree of management understanding and purpose to install it and make it work.

Our approach as outlined in the recommendations would focus on building Departmental management capabilities; making existing authorities and systems work more effectively; retaining but modifying the role of the Foreign Service (e.g., reducing its impact on Departmental management); and placing more emphasis on a more broadly based foreign affairs executive corps described below. With experience, the Department could later determine whether it should go to the broader proposal of the Inspector General.

We conclude that in almost any approach taken, State must develop a viable role for the Civil Service professional in the headquarters.

(1) Civil Service exists as a complete system based generally on merit and is used by the majority of agencies of Government. There are unfortunate rigidities in it, which make operations difficult, but most agencies who work at it can ameliorate the worst features.

(2) If there is to be a flow of expertise between State and other agencies, having the same system available is a positive advantage.

(3) It can provide easier promotion of functional experts, especially at junior and middle grades, based upon management assessment of performance in the job. This avoids the cumbersome promotion procedures of the Foreign Service and competition with the bilateral, political officers.

(4) The Civil Service has become much more flexible in recent years in hiring scientific and technical talent.

(5) The Civil Service can retain good people beyond age 60 which may be important in some specialized areas where competence has to be established in careers outside State.

However, to make the Civil Service work in State, the Office of Personnel must know how to operate under it (the Civil Service report amply deals with current capabilities). There must be a viable promotion ladder in key areas—i.e., there may be a “critical mass” in terms of numbers of jobs and promotion opportunities. Moreover, State will probably have to request GS supergrades in some number to attract talent at executive levels and to provide meaningful promotion goals for middle level people.

D. Executive Development

State has not kept itself abreast of thinking and events in executive development in government and industry. This is partly a reaction to pressures from OMB and CSC and partly a further symptom of management inattention.

The Department needs a strong executive development program to produce the pool of career executives to fulfill its policy leadership role. The program should be based upon the following key principles:

- There would be opportunity for all personnel in all personnel systems in the Department to rise to the top career jobs in Washington and overseas based upon merit and performance.
- The GS, FSR/U, FSO, and FSS, and the major career ladders created within each, would be considered “feeder systems” leading to a Foreign Affairs Executive Service at the top (GS-16 and FSO/R-02 and above).
- Jobs in the Executive Service, as designated by the Secretary, would be filled when vacant by a process of *selection-in*.
- Key “stepping-stone” jobs throughout the Department would be identified and used for career development purposes for candidates from all systems. (This would involve cross-over between systems and skill ladders.)
- Supervisors at home and abroad would be made responsible for identifying and developing candidates with executive potential, and the supervisors would be evaluated on their performance in this score.

The responsibility for administering State’s executive development program for the Secretary should be placed on the Under Secretary for Management. Based upon the experience in industry, we believe he should administer this function primarily through a *professional executive development staff* reporting directly to him and separate from the Department’s regular personnel activities. This staff, which might number 10–12, would work with the Director of Personnel and other Departmental officials in performing the following functions:

- knowing in depth the best promotion candidates in all systems in the grades just below the executive level who might be qualified for designated jobs;
- recommending to the Secretary candidates for designated executive job openings;
- developing overall policy and procedures for an executive manpower system;
- assisting units of State in defining executive jobs accurately and in developing annual executive manpower reviews; and

- monitoring the operation of the program from the perspectives of the Secretary.

The executive development staff must include highly competent, objective professionals, and it must be perceived as such throughout the organization. They are not kingmakers. Their recommendations on filling designated executive jobs, however, would be based upon independent and extensive investigations, including interviews with the candidates, their subordinates, their peers, and their supervisors. This provides the Under Secretary and the Secretary with a new viewpoint additional to that in the man's personnel records (annual performance reports and promotion board ratings) and the recommendations of line managers of the Department. The Under Secretary and the staff must know intimately the Secretary's desires as to management and policy directions for the Department and executive requirements to implement them. These perspectives must be reflected in the recommendations for career development and candidate selection.

We further believe that the executive search and development process in State is so important that it should look beyond the confines of the Department. State's executive development staff should be aware of high-potential candidates for the Executive Service from other agencies and from outside the government. This staff should also actively create and monitor interagency assignments and private sector exchanges for State personnel which contribute to the broadening of experience.

Presidential appointments to key Departmental posts, including ambassadors, would continue to be made from the White House. It is assumed, however, that the President would build his selection process on State's executive development program and would use the pool of career executive talent to a large extent in making such appointments. However, a more professional executive search capability in the Department and a pool of more broadly experienced career executives should help to improve the quality of Presidential appointments in internationally oriented jobs across the government.

E. Recommendations

The Department, in supporting the Secretary, needs the best qualified people from a variety of fields and disciplines related to foreign affairs. State brings many strengths to this task of acquiring such people.

- It has a large number of high quality professionals within its ranks.

- It has a variety of suitably flexible personnel authorities.

- Foreign affairs is considered an attractive and important subject matter.

The main task is to develop a clear Departmental perspective in personnel management as broad in view as the Secretary's and to mobilize and manage its resources effectively.

1. DEPARTMENTAL PERSONNEL MANAGEMENT

- *Improvement starts with the President.* He should make known his desire that management and development of people in the Foreign Affairs community are essential and long-range concerns of the Chief Executive in conducting his constitutional responsibility. He should also direct that this be done in a way which improves the integration of domestic and foreign policy.
- The President should instruct the Secretary, as Department head and leader in foreign affairs, to develop a basic personnel strategy and to take action to implement his concern.
- *Responsibility for Department-wide personnel management functions should be centered in the Deputy Under Secretary for Management, who should be made Under Secretary* (requires change in law). The new Under Secretary should have management and foreign affairs experience.
- *A modern, professional personnel function* should be established at the Department level, with a Director reporting to the Under Secretary for Management. His task would be to see that viable careers are developed within all personnel categories and that all systems work to the full benefit of the Department.
- *The Director General of the Foreign Service* should report to the Director of Personnel and should focus wholly upon the administration of the high mobility officer component (FSO's) within prescribed Departmental policy.
- The Board of the Foreign Service should be reviewed and reoriented to a new cross-agency mission as discussed above. The Under Secretary should lead the review and be designated Chairman of the reconstituted Board.

2. MANPOWER PLANNING

- The Under Secretary for Management should be responsible for developing, for the Secretary's approval, an annual Departmental manpower strategy. It should be closely tied to the budget.
- Within Departmental guidance, each Bureau Chief would identify (a) his needs for people

and skills over 3–5 years; (b) the best sources of talent; (d) the appropriate mix of skills and mobility and continuity of personnel; and (d) the state of development and career expectation of key people.

- The Director of Personnel should create and monitor the process and, based on the Bureau plans, *develop a Departmental strategy*, focusing on the decision issues.
- The Policy Planning Staff should play a key role in developing for the Secretary's approval basic guidance as to the policy directions, shifts in deployment emphasis at overseas posts, and critical competences acquired. This staff should also review and comment on the decision issues in the plan summary submitted by the Under Secretary.

3. BUILDING FUNCTIONAL COMPETENCE

- Within the annual manpower plan approved by the Secretary, functional Bureau Chiefs should proceed to build special competence required (without case-by-case approval of the Director General or Personnel).
- Functional Bureaus should participate in the informal FSO assignments process and career planning in the same way that geographical bureaus do today.
- A key element in improving functional competence is the *more attractive use of all personnel categories* to attract and deploy special competence in headquarters and abroad.
- *A viable, professional GS system should be developed with adequate career opportunities to attract and retain personnel best suited to it.*
- The Department should request the necessary GS supergrades to provide for meaningful career ladders in the Civil Service component.

4. EXECUTIVE DEVELOPMENT

- *The Under Secretary should establish an executive development program* administered by a professional staff reporting directly to him (outside but related to regular Personnel functions).
- Promotions to designated executive jobs (largely FSO-2 and GS-16 and above) should be subject to special procedures of a *Foreign Affairs Executive Service* (FAES).
- Candidates would be "selected in" to executive jobs in the FAES by the Secretary on the basis of recommendations from line managers and the executive development staff.
- The purpose of the executive development program would be to find the best talent from

all categories within the Department based on the Secretary's defined needs. It should be part of a community-wide approach described in Section V.

IV. THE FOREIGN SERVICE OFFICER CORPS

The Foreign Service is the most prestigious element of the State Department and has dominated its policy and managerial levels. Its strong traditions and *esprit de corps* provide major character to the Department—think of State and you think of the Foreign Service Officer. All other foreign affairs personnel systems elsewhere in the U.S. government are either modeled after or related to it. Accordingly, it has been the central preoccupation of the many studies of State Department personnel systems of the past.

The U. S. Foreign Service was established as a professional service by the Rogers Act of 1924. It was profoundly influenced by the British model which had been developed in the 19th Century as an answer to the patronage problem. Two basic elements of the British system were incorporated into the U. S. version: (1) recruitment at the bottom by examinations which measured "generalist" talents, and (2) recruitment at university graduating age. These fundamentals—together with "rank-in-the-man," promotion based on merit, and selection-out—have formed the basis of the present-day service. The Foreign Service Act of 1946, as amended, forms the current authority for the Corps.

Over the years, the Service has succeeded in attracting to the Government a talented group of people. It has played effective roles in a variety of crises and emergencies from Berlin, Korea, Cyprus, and the Middle East wars, to the recent Vietnam evacuation. It has produced some highly respected leaders at key points in our history.

While it has won acceptance as an important American institution, there have also been more *lingering questions* about the U.S. Foreign Service as the central vehicle for acquiring and nurturing the Nation's leadership cadre in foreign affairs than has been the case in Britain. There are several reasons for this. The more egalitarian U. S. society has a higher commitment to specialization, mobile careers, and continuous competition. Moreover, the U.S. Service has been placed in the spotlight in very demanding times, as U.S. power increased and as other free nations have looked to us for solutions to world problems. Finally, our economic and technological prepon-

derance has given rise to large operational activities overseas and new multilateral issues, which tax the political "generalist" and place a greater premium on expert knowledge.

Our purpose is to chart a strategy for the Foreign Service to play an optimum role as a part of the U. S. foreign affairs establishment in meeting the complex and changing needs of the last quarter of the 20th Century. The strategy must deal with a number of key questions:

- Have we adequately defined the role and mission of the Foreign Service to respond to contemporary U.S. needs and conditions?
- Can a closed hierarchical corps work constructively with other elements of the Department and the foreign affairs community?
- Does it adequately encourage or inhibit growth and professionalization of individual members in the course of its career?
- What is the direction and impact of "unionization" on these questions?

These questions will be addressed in this and succeeding sections.

A. Overview of the Service Today

The Service currently has just under 3500 officers, representing about 28% of State's total American personnel. Historically, this represents a growth from about 1300 in 1954 at the time of the Wriston Report to a peak of about 3760 in 1962, a

**TABLE III.—FSO STRENGTH BY RANK
(AS OF END OF 1974)**

Career Ambassadors and Ministers	47	
FSO:		
01	271	— Senior Levels (665)
02	347	
		— Senior Threshold
03	609	— Middle Levels (2181)
04	836	
05	736	
		— Junior Threshold
06	280	— Junior Levels (566)
07	215	
08	71	
TOTAL	3,412	

gradual reduction to about 3000 in 1972 just after the overseas balance-of-payments reductions, and a subsequent rise of 500 in the last 3 years. 2200 (60%) of FSO's are overseas. Of the 1300 in the U. S., all are in State except for 130 on detail to other agencies, in university training, or on exchange with the private sector.

The Service is not a pyramid tapering to the top; it is more like a balloon with a large bump at the top. The largest classes are in the mid-career (05-03). But 20% are in the senior levels, FSO-2 and above (this compares with .5% in the military services). Senior levels exceed the numbers in the junior levels. The 12/31/74 strength distributed over the various ranks was as given in Table III.

The FSO strength is distributed over six "cones of specialization" as shown in the following table:

TABLE IV.—FSO STRENGTH BY FUNCTIONAL CONE

	Number	Percent
Executive/Program Direction	342	10
Political	1,210	35
Economic/Commercial	813	23
Subtotal, Substantive Cones	2,365	68
Consular	484	14
Administrative	608	18
Special (Medical, Etc.)	8	—
Total	3,465	100

FSO's are placed within these cones for ranking and promotion, particularly in the middle grades (05-03). The program direction cone is really at the top (02-01) for those who are adjudged to have general management experience (e.g., DCM's, Ambassadors).

The Service is essentially a closed system with relatively few lateral entrants at middle grades or above. In the last five years, lateral entrants have averaged about 100 per year, most of whom have been transfers from within the Department. Moreover, the Service is highly selective in its entrance requirements. For example, in FY 1974, 9,300 took the written foreign service exam; 1,300 passed; 400 took the oral exam; and 144 entered the Service.

The Service has made substantial strides in becoming more representative of the U. S. regionally, socially, and racially. 8.4% of the Service are women and 4.3% are minorities, with higher percentages in the entering classes (in 1974, 21.5% of the entering class were women). Thirty-one States are represented in the 1974 class with California (18), Virginia (15), and Illinois (10) having the largest numbers of entrants.

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B. The Career and the Culture

1. THE FOREIGN SERVICE CAREER

An analysis of data profiles on the FSO career is essential to understanding the appropriate role of the Foreign Service in the foreign affairs community. The Commission examined a number of typical career patterns over a range of performance—low success, average, successful. The pattern developed by staff of the Department and considered “typical” for purposes of analysis is presented as Attachment A. However, the pattern is somewhat idealized and reflects a better than average outcome. Several points emerge.

1. It reflects about 11 assignments over a 30-year career in this case, for an average of 2.7 years per tour.

2. About two-thirds of the career is spent in six or so assignments abroad.

3. It reflects the Global Outlook Program (GLOP), the policy of assignment in more than one region.

4. It reflects assignments in more than one functional specialty: primary and secondary.

5. It reflects one Washington tour on detail to another agency and suggests rather more training than average (hard language, functional specialty training, and senior level training).

6. The critical junior threshold promotion (06–05) came after 4 years of the career and the senior threshold (03–02) at 20 years or age 46.

Overall, our examination of the FSO career prompts several observations. First, there is a very high representational and operational content (handling cables, visitors, reporting, passing on communications, etc.). Some officers have estimated that 80% of an FSO's time is involved in operationally oriented activities. A very small part of most assignments both in Washington and in the field is “analytic”—i.e., problem identification, development of options, etc.—which one would normally find in policy analysis activities.

Second, it is a slow developing career. There is a long period in the middle which often includes fairly routine work which is similar to what one has done in the past, except perhaps for a change in size of post and region. This accounts for what many officers call the “mid-career doldrums.” As John Harr has described it, too much of the Foreign Service career is “being” and “becoming”: waiting for the next assignment, for an “emergency” or crisis to show one's capabilities, and for the rewards which tend to come late.

Third, the first significant management experience, supervising 10 or more people, occurs well after 20 years when the individual is in his late forties.

Fourth, there is a high demand on the “after hours” of an FSO. He must attend to visiting delegations who, because of the shortness of stay, meet into the night. There are emergencies and cable deadlines. There is often a demanding schedule of representation events in the evening. A 60–70 hour week is not unusual and is not conducive to “self-study” and deepening one's special knowledge.

Fifth, one is struck with the difficulty of cramming two area specializations, perhaps two languages including hard language training, two functional specializations, senior training, and an agency detail into one 30-year career totaling about a dozen assignments. There would appear to be a limit to the degree to which additional fields or depth of functional specialization can be squeezed into this career. Choices have to be made. Significant additional management or functional training or experience would have to come at the expense of other areas, such as geographic and language specialization, or the additional training in these areas must remain superficial.

Finally, the career concept is the opposite of that in industry and the military. *Industry and the military take top performing specialists with potential and make “generalist” executives. The Foreign Service takes “generalists” and attempts to introduce them sufficiently to fields of specialization to produce executives with “integrative” capability.*

2. THE FOREIGN SERVICE CULTURE

Every organization has a unique “personality” or “culture” which characterizes it and sets the norms of behavior. Its strengths and weaknesses must be carefully weighed by top management in any organizational assessment. Generally, the personality is best exemplified in senior members who have come up through the organization.

Not every individual in an organization reflects the “culture”; there are mavericks. There may often be ferment for change at younger levels, but “young Turks” at one period in their careers can become acclimatized as they pass through the ranks, or, if not, they leave.

The “culture” of the Foreign Service is probably nowhere better described than in *Diplomacy for the 70's** in which a sizeable group of able officers presented a remarkably candid look at their institution and offered a thoughtful prescription for self-improvement. The following concerns about the culture emerge:**

*U.S. Department of State, *Diplomacy for the 70's: A Program for Management and Reform for the Department of State*, Department of State Publication 8551, Washington GPO, 1970, p. 4.

**The quotations within this summary of concerns are derived from *Diplomacy for the 70's*, op. cit.

- The entering FSO classes are drawn heavily from one cluster of academic subject matter. (For example, in FY 1974 the undergraduate majors were: history 34, political science/government 30, international affairs/relations 18 —about 60% of the total. Economics represented 13% of the total.)
- The surest road to the top is considered to be the political cone which produces the chiefs of political sections, key country directors, DCMs, and Ambassadors.
- A tour of duty in another agency, the functional bureaus, or even most training courses is essentially lost time out of the “main stream.”
- Any outsider (lateral entrant) who enters the Service at middle or senior grades without the rigorous examination process and the purgatory of junior jobs at undesirable posts is resented.
- Specialists and administrators are tolerated, but are considered second class citizens.
- “There is an exaggerated respect for rank.”
- Good officers accept discipline and do not differ with supervisors, especially Ambassadors. An adverse fitness report which can impact promotions and assignments is to be avoided at all costs.
- If you pass the threshold review (06-05) and “keep your nose clean,” you will make senior levels of the service with a shot at the top.
- “By and large, the mores of the system—its hierarchical structure, its professional style, and its system of rewards—are not conducive to creative thinking.”
- If you haven’t served overseas, you cannot really understand foreign policy.

C. Major Issues

1. ROLE OF THE FOREIGN SERVICE OFFICER

The first stated objective of the 1946 Act is to develop and strengthen the Foreign Service “to enable the Foreign Service effectively to serve abroad the interests of the United States.” The officers and employees of the Service are to perform duties and functions in behalf of any government agency or establishment of the government requiring their services under such regulations as the President may prescribe.

Thus, historically, the *principal purpose of the Service has been to man our posts and missions overseas and to conduct bilateral relations with the Governments of the countries involved.* These functions include:

- handling communications with the Government;
- negotiation and administration of agreements;

- reporting on events and reactions;
- promoting U. S. trade;
- improving communications with the official and cultural elite;
- meeting the needs of Americans and travelers; and
- providing administrative support for the activities of other agencies.

These activities are demanding and often performed in difficult circumstances. They require people who are willing to live and function in alien cultures, and not everyone can do this.

The Foreign Service Officer today has been recruited, trained, and developed to serve the traditional representational role. He is—by experience, temperament, and outlook—*first and foremost a diplomat, an expert in conducting bilateral relations* and in interpreting reactions of other cultures and governments to U.S. policymakers on the one hand, and U.S. policies to other peoples and governments, on the other.

Within the Service’s historic mission, however, *there can and should be a major change in emphasis* to meet the changing environment and requirements for U.S. international relations described earlier.

The rigor and depth of short and long-range assessment of U.S. interests relating to a country must be increased. No one should be in a better position than State to *analyze interrelated developments within a country, its region, the United States and the world* which bear upon international issues and relations and to develop realistic options for dealing with them. In this effort, the FSO at home and abroad should play an important role.

Some such analysis is now performed in connection with political, economic, military, and technological reporting. But studies for this Commission and others indicate that present reporting, while voluminous, too often focuses on description of events and conversations and too little upon the meaning and longer-term possibilities. Secretary Kissinger stressed this point in his speech to AFSA in 1974:

It is absolutely imperative not just to report what people say but to explain what people mean, not just to describe how a situation looks but to try to lay out what the trends are, what can be expected, and to do so not on the basis of some sentimental proclivities but on the basis of a hardheaded—if necessary cold-blooded—analysis of what the various alternatives are that the situation requires.*

An increase in analysis and in the ability to explore and present bold policy and program options does not come simply by willing it at the Secretary’s level. *It can only be the product of a broad, well-conceived*

* *Department of State Newsletter*, December, 1974, p. 9.

strategy, which includes recruiting, developing, promoting, and encouraging people who are at home in this task. If we want innovators and free systematic exploration of ideas, management must set a new framework and behave in a way that demonstrates its commitment. It means, among other things:

- Changing the entrance testing procedures to find applicants with higher degrees of creativity and analytic bent.
- Recruiting at later ages people with demonstrated skills in analysis and encouraging more lateral entry.
- Broadened experience and training to insure that people recognize the implications of events and conditions.
- More attention to supervision and coaching of younger officers by senior officers in developing such skills.
- Change in emphasis in performance evaluation.
- Better communication with functional specialists in Washington, both within and outside State.
- Clearer guidance from Washington "users" of reporting and analysis as to the central issues to be analyzed, and better use of research.
- Adversary proceedings in missions and headquarters units in debating substantive policy options.
- Open channels for dissenting views in place of the hierarchical communications patterns of today.
- More travel by field personnel to third countries and to Washington.

We conclude that the *Foreign Service should continue to maximize its expertise in the conduct of bilateral relations, with a substantial new emphasis on the assessment role.*

For purposes of career planning, we should also clarify somewhat the use of the troublesome term "generalist". *The FSO in our concept may be a "generalist" in conducting bilateral relations; however, in today's world, he is not automatically a "foreign affairs generalist" in the sense of seeing national policies in Presidential and Secretarial perspectives.* There are too many streams of consideration and competence which must be integrated with bilateral competence to produce foreign policy in a world where multilateral issues will increasingly predominate.

However, the FSO should have *opportunity to earn the broader designation* by solid achievement in many subject matter areas, by reaching out to broaden his experience, and by competing with others within and outside the Department. The Service and the experience it affords may give him an inside track to becoming a "foreign affairs generalist," but it provides no right or guarantee.

2. RANK-IN-THE-MAN

A key characteristic of the Foreign Service is the so-called rank-in-the-man, where individuals are promoted not because they hold jobs of certain responsibility, but because their record indicates to peers that the officer has over the years equalled the standards of the Service. A strong element of time in grade also enters into these judgments. Aside from the military, most of the Government and all of the private sector—amounting to about 96% of the U.S. labor force—are under a rank-in-the-job concept.

The *rationale for rank-in-the-man* appears to be threefold: It is best suited to a *high mobility service* where the jobs are considered to have very similar elements—an infantry company commander, an embassy political officer, an intelligence operations officer. It also reflects the *needs of a disciplined service* in manning hardship posts and where there must be rotation to achieve equity of treatment. It provides *flexibility* in that officers can be assigned to jobs below their personal rank based upon the needs of the government without penalizing their careers. In general, it provides personal security in a highly transient business and permits spreading officers of a more uniform competence over posts which vary in hardship and professional demands.

But there are *problems with a high mobility, rank-in-the-man system* which deserve attention in personnel management:

(a) There is a tendency to assume that all jobs are the same leading to *loose position description and classification* and making more difficult the effective match of man and job. This often encourages overgrading (people too high-ranking for the job) and reduces the control that "positions" provide in the numbers of people in senior ranks.

(b) There is *less emphasis on performance* in these jobs and on *accountability* for results. The main interest of incumbents (and supervisors) may be on completing the tour without any mishaps or black-marks rather than on achieving something. Moreover, supervisors tend to have less say about who they are given by a centralized assignment system and thus have less accountability for building an effective team to do the job. (And if the right combination of people is developed, it is quickly broken up.)

(c) Overt criteria are lacking as a basis for performance rating, except "cooperating" and "staying out of trouble."

(d) Too much time and effort must be spent in settling into the job, getting to know the "situation," taking care of family arrangements, and finally planning for a next assignment.

All of these points indicate that the *rank-in-the-man system is not a panacea for all personnel in the foreign*

affairs community but a device to be used sparingly for the specific purposes for which it is best suited. For example, the high mobility system, with average tours of 2-3 years, wreaks havoc with many Washington headquarters assignments where there is a need for greater substantive depth, knowledge of agency programs and positions, effective interaction with the Congress and White House, and greater institutional memory in dealing with countries and issues.

To ameliorate some of its worst features, there are several important modifications which need to be made in the general rank-in-the-man approach. *First, we believe that the Service should operate on a rank-in-the-job basis at the top, similar to that of the CIA and the military. Such an approach might run as follows: after an officer has reached O3, his further promotions would only be based upon selection by management into specific jobs which are classified at O2, O1, or above. (This selection could follow overall senior threshold reviews by peers which would certify him as being "promotable," but we do not believe such a review is essential or useful.) Once in the Foreign Affairs Executive Service, his promotion would be based on performance and job assignments in higher grades. It should still be possible for executive-ranked officials to take jobs at lower grades in instances where at the election of the Department the jobs call for such talent (e.g. a mounting crisis in a smaller post).*

It may be desirable to adopt in the Executive Service some of the features being considered by the Civil Service Commission for the Federal Executive Service. For example, it may be desirable to enter into fixed term contracts with officers which are renewable at the election of the government. If the government does not renew the contract, the officer would have the election of retiring, if eligible (20 years or more service), or accepting a job at the top career level (O3). It may also be useful to abolish fixed grades and use jobs and salary to indicate advancement. These measures would increase flexibility in executive assignment and would help to reduce the current overgrading at these levels.

Second, to increase the focus on achievement in the job and to improve performance evaluation, the use of the annual work statement should be explored. This statement (sometimes called a "job contract") would be developed by the officer and his supervisor to indicate the specific goals and areas of emphasis required for good performance in the job. Evaluation at the end of the year focuses on performance relative to these goals, or what has emerged which is considered of greater priority. This practice is increasingly used in industry and has been introduced by CIA (see Section V of this paper).

3. FUNCTIONAL COMPETENCE IN THE SERVICE

The *issue* before us is this: if the Secretary and the President need more functional expertise and competence in addition to the bilateral skills to formulate and conduct foreign policy in a complex, interdependent world, to what extent can we look to the Foreign Service to provide the additional ingredients?

We do not believe that the Foreign Service can or should be relied upon to provide all of the new skills and outlooks required in the conduct of U.S. foreign policy in today's world. While some broadening and modification in the Service's role is possible, if carefully managed, a major alignment of mission and capability is not feasible in an essentially closed, self-governing system. Moreover, even if feasible, the process of change would be slow.

As to how much functional competence can or should be built into a generalist system, there is no simple answer. But in general, there should be as much as the individual and the system can take consistent with the basic mission or representation and foreign assessment. This end should be encouraged in entrance procedures, through lateral entry, and through job experience and training.

The *cone system* as an administrative device does appear to encourage and nurture a limited degree of special competence. But it hardly produces the full range of special knowledge at posts overseas, or more importantly, in Washington. For example, economics as offered in the FSI 26-week course provides basic tools that all FSO's in substantive jobs require. However, modern foreign policy analysis requires more intensive specialties in this area at home and abroad; i.e. petroleum economics, international monetary system and banking, labor economics, agricultural economics, technology exchange, trade promotion, production and distribution activities of multinational companies, etc. FSO's should be encouraged to develop such skills.

Even though the FSO would be buttressed by deeper specialists from outside the Service, to use and apply the specialists' knowledge he will have to have some experience in, and appreciation of, the disciplines employed. *And the latter cannot be achieved on a dilettante basis.* There must be built into the career pattern *solid incentives* to encourage "self study" in specialties related to modern foreign policymaking and broadening work and training experience. A new feature to this end should be a *one-year work program* to be designed by individual officers at mid-career to deepen substantive knowledge. Officers should be rewarded for initiative and imagination in self study through promotions and assignments in their chosen fields and through awards and further training opportunities.

Also, in the administrative area, a higher degree of expertise in specific fields is required. Costs are rising rapidly overseas. There are 10,000 foreign nationals to be managed. The communication system and information flow is enormous. The real estate management problem is large. The task requires people with sound knowledge of resource allocation and management, backed up by deeper specialists in all management fields in Washington.

4. MANAGERIAL CAPACITIES

In the Foreign Service, "management" is generally equated with "administration" and therefore given very low status. As used herein, however, the term "management" combines policy analysis, decision, and implementation. It is setting policy directions and objectives and enhancing an organization's ability to meet changing needs. The hallmarks of a manager are his ability to analyze and integrate effectively the relevant variables, to make decisions, and to mobilize the energies of subordinates in carrying out their assigned tasks.

Much has been said about the need to develop the capacities of the Foreign Service Officer to become a diplomat-manager if the Department is to maintain its leadership in foreign policy development and execution. *Diplomacy for the 70's* (p. 4) notes the slowness of the Department and Foreign Service Officers in taking on the managerial role, and comments further:

Consequently they have not developed the corps of adequately trained managers and modern management systems which this role calls for, preferring instead to continue relying, often with distinction, on the talent of their gifted personnel. Although their performance in the management of short-term crises has frequently been superb, they have been resistant to efforts to give them a more systematic capacity for determining long-range strategies through an orderly and thorough assessment of our national interests and for directing the allocation of our resources in accordance with these strategies.

However, our examination of the career patterns and Service jobs indicates that there is very little opportunity for one in the Service to improve his skills in planning, analysis, decision-making, personnel management, resource allocation, program direction, etc.—skills necessary to become an effective manager. Most of the units are small and the managerial content is low (the largest political and economic sections at overseas posts have no more than 12 people). In fact, there appear to be, at most, about 350 FSO jobs (1 in 10) which have significant managerial content. About 150 of these are Ambassadorships and top jobs in the Department (Under Secretary and Assistant Secretaryships and Depu-

ties) which come late in the career. Thus, only 200 jobs provide the vital preparation jobs or stepping stones to the top.

Unless there is a good experience during a detail to another agency, (AID, Defense, Treasury, Commerce, etc.), there is almost no exposure to programmatic requirements or to managing activities. Only at the DCM and ambassadorial levels late in the career (and at some administrative officer levels in larger posts) is there direct responsibility for understanding other agency programs and coordinating them with State activities under the Ambassador's authority as Country Director. It is significant that the highest failure rate in the Foreign Service occurs in the DCM job, a condition the Department is attempting to alleviate through a DCM training course at the Foreign Service Institute.

Given the career pattern, it is understandable that most FSOs tend to look upon operational programs as adjuncts to bilateral relations. Development loans or concessionary sales sometimes help as bargaining chips. But quite often the programs and the personnel of other agencies are viewed as potential irritants to the main task of continuing harmonious official relations.

There are instances where the U.S. country mission for various specific reasons does have large operations and personnel. Examples at various periods have been Brazil, India, Congo, South Korea, Philippines, West Germany, U.K., and Vietnam and other countries of Southeast Asia. Officers at these posts do obtain significant coordinating and managerial experience, as do some desk officers in Washington. So there is a cadre of such managers in the Service at any given time. However, given the reduction of many AID, military assistance, and counterinsurgency programs, these experiences can be expected to diminish rather than to grow.

Not all management has to be concerned with large units. There remain the important *responsibilities of small unit* supervisors to guide younger officers, to help them develop their reporting, analytic and representational skills, and to encourage career development. This is an aspect of management which badly needs strengthening.

5. CAREER DEVELOPMENT

A major concern for the younger officers in the Service is the nature of assignments in the early stages of the career and the long, slow progression through jobs with little policy and managerial content. Indeed, many believe this mid-career *problem* to be a major impediment to effective development and retention of bright young officers. The problem must increasingly be viewed in terms of the

relative opportunities in other areas of government and industry.

There are various solutions to this problem which must be considered:

First, there are probably a large number of jobs in the Service which need not be manned by the college-trained, generalist officers. The Department may have gone too far in blanketing routine jobs into the Service. Not all FSO's must punch visas on their way to becoming foreign policy analysts and managers. This determination can only be made on the basis of job-by-job analysis.

Second, and more important, over the years there has been a tendency to float responsibility toward the top. Not all Ambassadorships need be at O1 and O2 levels. The Report, *Diplomacy of the 70's*, appears to be sound in its analysis and remedies on this point:

As a remedy for the underutilization of talent in the Department and the Foreign Service, the task forces recommended a systematic reclassification of job levels to move responsibility back down the ladder. They believed that this would provide middlegrade and younger officers with the greater challenge and sense of participation which are essential if their executive potential is to be adequately developed. The personnel structure resulting from this action would have a shape more nearly resembling a pyramid and would better reflect the needs of the Service than does the present top-heavy shape . . . *

We agree that there must be a *vigorous pruning at the top to force responsibility down*.

Third, there should be more FSOs detailed to other executive agencies at mid-career levels to provide the variety of programmatic and managerial experience required. This broadening should also include assignments to Congress, foundations, industries, labor unions, and state and local governments to fit the FSO for the role he must play in today's world. This is not an easy prescription to carry out; but it must be done. It should be part of a vigorous executive development program.

Fourth, there should be more opportunity for substantive development at mid-career through carefully programmed studies and work experience in universities and the private sector.

6. RECRUITMENT, PROMOTION AND ASSIGNMENT—TOWARD A MORE OPEN SERVICE

The Foreign Service is highly selective and competitive at the entrance level in terms of numbers tested and appointed, but this does not ensure that

* *op. cit.*

it is getting "the best people". Much depends on (a) careful definition of the kind of people required, (b) how the testing procedures are constructed in relation to what is wanted, and (c) the quality of those applying and taking the examinations. There is much to be done on each score.

The concept recommended is to *shift the entrance recruitment process from a passive to a more active mode*.

To do this, recruitment must become a prime responsibility of the Departmental personnel management. It must employ the most modern techniques for defining the characteristics and skills desired and designing testing procedures to identify them in individuals. There has been considerable progress in testing and screening procedures in the private sector which could be applied here. This timing of the tests and the way they are administered should be revised so as to be more responsive to the needs of potential entrants. The current long waiting periods only serve to make the Service less competitive with industry.

This concept also implies knowing a great deal about sources of talent with an interest in international affairs and the fashioning of a positive program to encourage such talent to move toward the State Department and the federal government. It means keeping in contact with educators, businessmen, foundation executives, Foreign Service alumni, and placement consultants who have interests in foreign affairs. The new program should start with an assessment of knowledgeable university personnel to see if, in their view, the Department is getting the interest it should be getting from the graduating classes, and what can be done to broaden its appeal. From this, and a better definition of needs, *a new strategy for moving to the sources of talent and for intensifying active recruitment should be developed*.

Moreover, we do not believe that only the mobility element of the Department should be subject to vigorous entrance screening. We believe that appropriate examination processes should be applied to all entrance level professional recruitment on a Department-wide basis. These processes should accept and be geared to the variety of special competences required (e.g. economists, scientifically trained people, management specialists, military analysts, etc.). Where appropriate, the examination process should be coordinated with the Civil Service examination process.

Not all jobs should be filled at entrance level. Lateral entrance must remain an important avenue for both the Department and the mobility service. However, those entrance level jobs which can be filled by university-trained people and which are identified in the manpower plan, should be filled in this fashion.

The best and cleanest way to move to a new Department-wide approach fully geared to manpower planning is to eliminate the Board of Examiners. This would require change in law. The Department should build as a part of its personnel management function a modern recruitment capability which should make optimum use of competence in this area outside the government.

We believe that the Department should consider the first four years in the Foreign Service as untenured. Entrants could be given two tours of service in Washington or abroad (based on individual preference to the extent possible) while they are on essentially probationary status. Following this and a rigorous *junior threshold review*, individuals would be "selected in" to tenured service at the 05 level, or to the "headquarters service" if jobs are available. It would be possible to stipulate in an employment agreement that the junior officer is out of the service unless there is affirmative action by the Department at this point to select him in.

The *present promotion system* based upon the rankings of all individuals in a class by peer panels based solely on written records is ineffective, costly, and perhaps counter-productive. *We agree with the five Task Forces whose work is reported in Diplomacy for the 70's. They concluded that "the present highly competitive promotion system tends to stifle creativity and promote conformity."* The cost, including loss of productive work, involved in gathering promotion panels for the various classes and cones is high.

We therefore recommend that the rank-in-the-man service should adopt a *semi-automatic promotion system* in the middle grades from 05-03, covering fifteen or more years of an average career. With good recruitment process, performance ratings in the probationary period, and the junior threshold review, almost *annual reviews* in mid-career would appear unnecessary. Moreover, the promotion by class based roughly on seniority is not far from existing practice.

There must be adequate provision for *faster promotion of outstanding performers*. The fast promotion should be governed by Departmental guidelines and based primarily on the recommendation of line supervisors. These could of course be reviewed centrally for accuracy and consistency where appropriate.

By the same token, there should be *provision for passing over promotion or selecting out* those persons who do not meet standards. These procedures, too, should be based upon the line manager reports (immediate supervisor and next higher echelon). Not all individuals perform equally well in all jobs and in all periods of their careers. The reasons may vary from reactions to supervisors, to family problems, to job interest in general. The "passing over"

of promotion may be a more discriminating way to indicate less than satisfactory performance than an attempt to terminate careers through selection out (discussed below). It gives the officer a chance to improve his performance in a subsequent assignment.

Assignment is a management responsibility to be taken with full knowledge of the needs of the Department and the desires of the individual. In general, line managers at home and abroad who are accountable to the Secretary for the performance of their units should have greater responsibility for personnel assignments, subject to requirements of the central process.

In the longer term, it would appear that the assignment processes of rank-in-the-man mobility services must reckon more and more with desires of individuals for self development and with personal and family considerations. This is happening now (e.g. permitting a wife and husband to serve at the same post) and is part of a broader social trend. The assignment process must be able to accommodate this trend, and the Department must be innovative in anticipating adaptations.

One step in this direction would be a system of formal notification of assignments coming open in the upcoming transfer season (May-August). Thus, a form of "job posting" is recommended.

7. SELECTION OUT

Selection out is an important feature of the Foreign Service Act of 1946 which distinguishes the Service from other governmental personnel systems, especially the Civil Service. It was modeled after the Navy practice of "promotion or selection out." The original concept was that selection out of a superior service would not be detrimental to the individual but would keep the Service lean and fit. There are two bases for selection out:

(a) *Time-in-class without promotion*. By Departmental regulation, an officer must go from 05 to 02 in not more than 20 years and can spend no more than 15 years in one class. Maximum time for FSO-2s is 10 years and for FSO-1s is 12 years.

(b) *Low performance*. The Secretary has authority to set standards of performance which officers must attain. The general approach has been to select out officers ranked by the promotion panels in the bottom percentiles of their classes.

The application of the selection out process was slowed somewhat by the needs of the expansion and lateral transfers in the late 1950's and early 1960's. However, from 1961 to 1971 (when selection out was temporarily suspended), about 826 officers were selected out, as summarized in the following table:

**TABLE V—SUMMARY OF SELECTION OUT EXPERIENCE,
1961-1971**

	<i>Time in Class</i>	<i>Low Ranking</i>	<i>Select Out Total</i>	<i>Other Attrition</i>
1961.....	2	36	38	123
1962.....	5	100	105	195
1963.....	—	49	49	115
1964.....	—	57	57	98
1965.....	—	110	110	146
1966.....	3	93	96	170
1967.....	5	52	57	152
1968.....	30	44	74	175
1969.....	66	38	104	174
1970.....	82	20	102	208
1971.....	23	11	34	90
Totals.....	216	610	826	1646

In 1971, State was sued by several officers being selected out, and the court, while not questioning the legality of the system, ruled that they were denied adequate notice and opportunity to be heard. Operation of the process was suspended, and negotiations are now underway with AFSA to develop new procedures in line with the Court's ruling as to due process. In the future, it is clear that cases of officers designated for selection out will go before a Special Review Board, where each officer would be permitted to appear with counsel and to call witnesses.

The cumbersome procedure and the possibility of supervisors' having to appear before a selection-out panel are factors discouraging candid performance ratings which might lead to selection-out. Supervisors will not relish being brought half way around the world for a face-to-face discussion of the case in any adversary setting.

The time and cost involved in "selecting out" the small number involved has already discouraged the use of this device. *These factors have led many to conclude that as a practical matter "selection out"—at least for low performance—is a dead letter, only available for clear, provable cases which could probably be separated for cause anyway.* The tactics of the American Foreign Service Association (AFSA) as bargaining agent, while not openly opposing "selection out," tend to reinforce this burden of due process.

At the same time, the time-in-class standards have been reduced by Departmental regulation to a point where they are not very rigorous. The numbers "selected out" by this route have fallen off markedly under the new criteria published in 1971: from 82 in 1970 to 23 in 1971.

Nevertheless, this authority is important to retain, even if it exists largely for symbolic purposes. Ways may be found in the future to make it effective in the framework of semi-automatic promotions. For example, selection out might require substand-

ard ratings by two or more supervisors, backed by the next management level. Such a case would then be subject to review by a Special Review Panel of a type now being considered within the Department.

8. TRAINING

To maintain professional skills in an increasingly complex world and provide for individual development and initiative in a competitive system, an effective program of training must be an important complement to rotational job experience. It should be integrated carefully with the career at critical points to provide needed expertise and to help the officer draw upon the full significance of the experience. There should be a range of training techniques, from short spot courses with specific content related to operational needs and the individual's ability ranging to correspondence courses and through full-year courses devoted to intensive area or functional specialties.

In general, Foreign Service training should be increased somewhat, primarily in economics, in analysis and assessment techniques and—in later years of the career—in the substantive specialties of international relations. It would be expected that training early in the career would emphasize language, area studies, economics, and the basic tools of the FSO's trade. Training in later periods would emphasize management and substantive specialties. To the extent possible, FSO's should be encouraged to realize that training is available for self-development and that promotions and assignments will reflect the way officers use the available training opportunities.

D. Recommendations

Our strategy toward the Foreign Service can be summarized in the following general terms:

- Recognize the role of the Service for what it is in reality and strengthen its capability to do its basic job.
- Attempt to dampen undesirable characteristics of a closed professional system and to build on its strengths.
- Shift emphasis in its task from representational activities to analysis and assessment of mutual interests in a multilateral context.
- Build into the Department other capabilities to support the Secretary of State in foreign policy development and execution.

Our specific conclusions and recommendations to carry out this strategy are set forth below:

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1. ROLE OF THE FOREIGN SERVICE

- *The Foreign Service should be recruited, trained, and sized to its historic mission—that of representing U.S. interests in foreign countries. This requires people willing and psychologically attuned to serve in alien and difficult situations and who have strong basic competence in area studies and language.*
- *A major change in emphasis, however, should be directed toward improvement in rigorous short and longer term assessment of U.S. interests and in analytic reporting.*
- *The Officers should be broadened by experience and specifically trained for the new assessment emphasis.*

2. RANK-IN-THE-MAN

The current rank-in-the-man system should be continued for the Foreign Service, as is appropriate to an overseas high mobility service. But several important modifications should be made:

- *There should be a substantial improvement in job description and classification practices for all positions in the field and in Washington. This is a prerequisite for all personnel management.*
- *Rank-in-the-man should run only through grade FSO-3. All promotions to O1 and O2 should be related to specific jobs and the "selection in" process to the Executive Service described above.*
- *Greater emphasis should be placed on performance and accountability in the job. To this end, State should consider an annual work statement (sometimes called a job contract) developed between officer and supervisor to outline what should be attempted and expected during the year. This would not only give direction, but would form the basis for more objective performance evaluation.*
- *The Service should adopt some form of reverse appraisal where employees rate the performance of supervisors. These can be judicious and objective and would place more emphasis on the quality of supervision. Reverse appraisals should be considered in promotion and assignment.*

3. FUNCTIONAL COMPETENCE

- *Within its basic mission and emphasis on area and language studies and diplomatic and foreign assessment skills, the Foreign Service should be encouraged to deepen substantive knowledge in fields important to modern foreign policy.*
- *The cone system should be continued (although the*

program direction cone would be rendered superfluous by the executive development recommendations). Its basic purpose is to protect the consular and administrative activities as viable career specialties and to continue to upgrade the economic competence of the Service.

- *The interfunctional promotion device, whereby political officers are given a larger percentage of promotions, should be stopped. The answer is to slim down the numbers in the political cone.*
- *All political officers should have the 26-week Foreign Service Institute course in economics or its equivalent. The techniques, as well as the substance, are essential to good policy analysis.*
- *Over time, the distinction between political and economic cones should be dropped. Economics today provides a major context to all international relations.*
- *Intercone assignments should be increased where the purpose is to broaden experience, rather than to accommodate an excess of political officers. The exchange must be a two-way street where consular and administrative officers receive political assignments.*
- *Officers should be given incentives to pursue deeper substantive issues of foreign policy. They should be rewarded for initiative (self study) and excellence in their chosen fields (as determined by functional experts) through promotions, assignments in their chosen fields, awards, and work-study programs.*

4. CAREER DEVELOPMENT

The most important improvement to the FSO career at junior and middle echelons would be to *slim the top of the Corps, halt the overgrading of jobs, and to place real responsibility earlier in an officer's career.* This will help officers develop earlier and indicate those with potential for the top. More specifically it is recommended that:

- *All FSO jobs should be rigorously examined to determine which can be reclassified downward and made available to more junior officers. This should apply to ambassadorial and DCM positions.*
- *Routine jobs at the bottom should be scrutinized to be sure they belong in a service of university trained "generalists." In other words, the training value of the job should be re-examined in light of the needed emphasis on assessment.*
- *The 200 or so stepping-stone jobs which provide managerial experience should be clearly identified and husbanded for development of those with indicated management potential.*
- *There should be more assignments outside State in*

jobs with managerial and programmatic content. State should take initiative to reinvigorate and expand the transfer programs underway.

- All DCMs at larger posts (Class I and II) should have had a prior tour of duty with significant resource management experience in or out of State.
- *"Leave-without-pay" service outside the Executive Branch in activities which add managerial or functional experience should be encouraged, and the service outside should count for purposes of promotion and retirement.* Such service could include multinational corporations (e.g., petroleum, banking), foundations, universities, congressional staffs, or state and local governments.
- *Detailing FSOs to state and local governments should be effectively implemented under the Pearson Act.* However, the Act's requirement for 50 officers each year is inflexible and administratively difficult for both parties, especially in early years. Moreover, Congress must act to lift the prohibition against paying officers serving on such detail in Section 103 of State's 1974 Appropriation Act (continued this year).

5. RECRUITMENT

Methods of recruitment should be overhauled and professionalized. Moreover, the process should be less passive and much more active. The Department must define more clearly the type of people and characteristics it wants, and develop an effective new recruitment strategy to broaden its appeal to ability groups and to increase the responsiveness of the intake process. Junior professional recruitment should be on a *Department-wide basis*, with selection for the departmental or mobility service made after two tours.

- The Board of Examiners should be abolished and the Department should establish a professional recruitment capability (direct or by contract) within its personnel management function.
- The examination procedures, written and oral, should be revised to place more emphasis on testing aptitudes, creativity, and analytic capabilities than on measuring specific knowledge. New techniques being employed in industry can be adopted for this purpose.
- The time from examination to entrance into the service should be shortened to more nearly fit the needs of high quality applicants.
- The Department should systematically interview officials of colleges and universities to determine whether the Foreign Service is obtaining the best qualified students from among

those who might be interested in a foreign affairs career.

- If FSOs are to be used in the recruitment and oral examination processes, the Director General should insure the assignment of outstanding officers.
- More weight should be given to recruiting of people at the graduate level, or who have demonstrated desired competence in work situations.
- The recruitment of people with economic training and experience should be markedly increased.
- *For the first two tours of duty, or through the 06 level, Service entrants should be on probationary status.* Following careful screening and the junior threshold review, the individual would be given officer status.
- The individual should be able to opt at this point for a predominantly headquarters or mobility career and his area of specialization.
- Lateral transfers, particularly of people with demonstrated economic or appropriate technical expertise, should be encouraged.

6. PROMOTION, SELECTION OUT AND ASSIGNMENT

- *There should be a new system of "semiautomatic promotions" in the middle grades from 05 through 03.* The junior threshold examination (06 to 05) should be continued. This approach would reduce the constant pressure for "halo ratings" and improve assessment for career development. It may help encourage innovation and policy dissent at younger levels.
- *There should still be provision for more rapid promotion based on exceptional performance on the job.*
- By the same token, there should be provision for "passing over" promotions of those officers with less than satisfactory performance in a given period.
- Selection out for time in class and low performance should be continued but adapted to the new approach.
- The Department should seek authority for 20-year retirement to help reduce the pressures toward overstaffing at higher grades and to permit officers who are not "selected in" to the Executive Service to pursue second careers.
- *The Under Secretary for Management should exercise greater oversight over the assignment process.*
- More weight should be given to the needs of the heads of functional and geographic bureaus in the assignment process.
- A form of *job posting* should be adopted under which all units of the Department are notified of assignments coming vacant, and officers

have an opportunity to make their preferences known and to participate in career planning.

- The counseling corps should have a mixture of FSO and professional counseling talent.

7. TRAINING

The FSI should be the major instrument for providing in-house training. Quality in training is essential, requiring highly professional personnel and instructors. In general, *this is not a job for FSOs.*

- The Department should provide *clear training requirements* and course evaluation to FSI annually, based upon its personnel plan. This should be preceded by extensive discussion and feedback between the two parties.
- For high performance/potential officers, *there should be a new program of one-year work-study at mid-career levels (12-15 years in the Service).* This should be designed by the officers involved with guidance and approval by the Department to deepen functional competence.
- Management training programs of the Civil Service Commission should be used for FSO's where feasible, rather than inventing separate courses. The presence of FSOs would provide a two-way benefit expressing the growing interpenetration of domestic and foreign policy considerations.

V. GOVERNMENT-WIDE APPROACH

A President with responsibilities for the conduct of foreign relations in today's world must be concerned with the quality of people and effectiveness of personnel management beyond the State Department. This recognizes the increasing importance of other foreign affairs and "domestic" agencies in this arena.

A. The Foreign Affairs Agencies

Four agencies comprise this category—AID, USIA, ACDA, and ACTION. All are separate entities with separate personnel systems, but all are under the general policy supervision of the Secretary of State. The two largest agencies—AID and USIA—have personnel systems which are closely related to that of State. Many regulations are common; some functions are performed in common (e.g., entrance testing); and they deal with the same unions. ACDA uses the Civil Service System, but has a number of FSOs (and military officers) on detail. ACTION uses the Civil Service but still tries

to keep its professional staff fresh by adhering to 5-year maximum terms.

The current staff levels for each agency are summarized in Table VI. A more detailed breakdown of the same data may be found in Attachment C.

Of the total of 9,250 Americans serving the four foreign affairs agencies, there are 6,800 professionals and 850 at executive levels.

Many of the foregoing recommendations relating to the State Department and the Foreign Service also relate to AID and USIA (e.g., relation of mobility elements to Washington functional experts, recruitment, promotion, selection out, executive development, etc.). They particularly apply to the FSI's of USIA. However, the two major issues relating to personnel management of the two largest agencies will be discussed next.

1. AID

This Agency is in the painful process of shrinking its work force to fit several conditions: (1) the reductions in levels of development lending; (2) greater reliance on contractor personnel and country nationals in implementing technical assistance initiatives; and (3) the withdrawals from Southeast Asia. When current reductions are completed, AID management hopes to have a slimmed-down agency in line with new program and foreign policy directions. The short-term problem is to accomplish the reduction in force (RIF) without completely demoralizing key personnel.

The AID personnel system has one very instructive feature: It has made an interesting accommodation between a largely civil service headquarters and a tenured corps of development officers (called FSRs) who serve both overseas and at home. When it reaches "steady state" levels after reduction, only about 35% of the Washington professionals will be FSR's, and 65% will be GS and technical people. Also, about two-thirds of the mobility corps will be overseas.

AID's greatest problem in personnel management lies in

TABLE VI.—STRENGTH OF FOREIGN AFFAIRS AGENCIES
(END OF 1974)

	Americans			Foreign Nationals
	U.S.	O/S	Total	
AID	2,876	1,613	4,489	4,000
USIA	3,242	943	4,185	4,700
ACDA	208	—	208	—
Peace Corps (ACTION)	175	193	368	300
Total	6,501	2,749	9,250	9,000
State (For Comparison)	6,541	5,581	12,122	10,500

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the uncertainties in the Congress as to the future of the Agency. If one wanted to create a difficult context within which to try to attract and retain high-quality development professionals, it would be hard to outdo the present situation. There is no permanent authorization. Each year Congress debates the very existence of the program, and for four out of five years did not get around to passing an authorization or appropriation bill, relying instead on continuing resolutions.

The major need is for a national determination as to whether the U.S. should maintain a basic bilateral development capability. This appears to be a matter of primary concern for the Congress, because the questions about the longer term need for the Agency are focused there.

The Commission's Foreign Economic Policy Committee has recommended that AID continue to be the State Department operating arm for the implementation of bilateral assistance, which includes security, development and disaster relief type programs. The forms and techniques of AID may change over time. The sectoral emphases may shift as they have in the past (from agriculture, to health, to population control, etc.); the countries of concern may vary. But it is hard to conceive of a nation in our position of wealth and economic knowhow without substantial involvement in bilateral aid. At least that is the issue which needs to be settled in the nation's legislative process.

If the program is to be continued, *AID should move to regularize its intake of capable development officers*, based upon legislative authority similar to that for the State FSO and the USIA FSIO.

2. USIA

USIA, as currently established, has a domestic service composed primarily of GS employees (about 1900) and a Foreign Service composed of FSIOs (900), FSRs, and FSSs totaling 2250.

The Stanton Panel recommends combining information and cultural activities now carried out by State and USIA into a new autonomous agency, the Information and Cultural Affairs Agency (ICA). The Director of ICA would report to the Secretary of State, presumably with the rank of Under Secretary. Certain press relations programs would be transferred directly to State, and VOA would be established with its own Board as a separate entity.

Many of the personnel issues, particularly for the FSIOs, are similar to those of the Foreign Service and the recommendations pertaining to promotion, selection out, interagency details for broadening, training, and employee-management relations would apply here. It is interesting to note (1) that USIA also has made a better accommodation between the GS Washington headquarters staff and

the mobility corps, and (2) that treatment of specialists is not the burning issue it has been at State.

The leading issue in the personnel area stemming from the Stanton Panel proposals is *whether the FSIOs should continue to be administered as a separate but related service under the jurisdiction of the Director of ICA, or whether they should be administered as a new cone in the FSO Corps*.

Treating FSIOs as a cone of State's Foreign Service would of course tend to emphasize relationship to the Department and, theoretically at least, would make interchange of assignments easier. It might give the FSIOs better odds at becoming DCM's and Ambassadors. It appears to be a workable arrangement.

However, we believe that the arguments for separate administration as a related system somewhat outweigh those for amalgamation. USIA has generally been a better administered agency whose Director pays considerable attention to the assignment and development of personnel. Its smaller size (only 900 FSIOs) worldwide means that its personnel problems are more manageable. Also, its personnel function is more professional.

Until the State personnel management capability is considerably improved, we conclude that USIA (ICA) personnel functions, like budget and administration, should remain separate. The proposed conal amalgamation always remains as a future option.

B. The Central Intelligence Agency (CIA)

We examined the personnel functions of CIA primarily for the lessons which might be applied to State and other foreign affairs agencies. Several points about the CIA system were noted:

1) It is a separate, merit-based personnel system compatible in structure to the Civil Service (uses GS grades, position classification techniques, and pay scales).

2) It is not one system but a mixture of major systems and subsystems. There is considerable variety across them, based upon the specific skills and kinds of people required.

3) It applies rank-in-the-man to overseas services and to specific elements of the headquarters personnel.

4) Personnel is managed primarily on a decentralized basis where line managers are accountable for personnel functions. However, it has a strong Agency-wide personnel function which assists the Director in establishing agency-wide policy and management processes which guide decentralized units.

5) The Director of CIA spends a considerable amount of time on personnel matters, conducting periodic reviews with his managers on their unit manpower plans and particularly on their executive development plans (name-by-name). The Director of Personnel does not organizationally report to the Director of the Agency but has a clear and independent line to him on these matters.

6) A good deal of attention is given to position classification and control. Individuals are promoted on a rank-in-the-man basis (promotion boards, etc.), but must be moved to an appropriately graded job within a specified amount of time. Mismatches between jobs and men are carefully monitored unit by unit. Their system moves to rank-in-the-job at top levels.

Overall, the system appears effective and carefully managed. Many features are worthy of attention by other agencies. It has adopted a number of important innovations in manpower planning and management practice, such as the annual "job contract" between supervisors and subordinates now being widely introduced in industry.

C. The "Domestic" Agencies

The so-called "domestic" agencies have entered the world of international relations in a large way. Today, about 6,600 employees of domestic agencies serve in international activities on a full-time basis in Washington and overseas. About 5,300 of these can be considered involved in a policy rather than an operational capacity (e.g., manning Loran stations), and about 4,600 of them are in the Washington headquarters (see Attachment C). Of the 5,300 total, 3,300 are considered professionals, and 268 are at GS-16 or above, including executive-level appointees.

Most of the major departments of the federal government have Offices of International Affairs, some headed by Assistant Secretaries. Most carry on extensive contacts with foreign governments, professional groups, and individuals either from locations abroad or from headquarters. There are many more people in these agencies who have part-time or intermittent concern with international activities—in other words, becoming involved in conferences or visits or discussion of interagency issues. Some of this work, e.g., consulting with foreign governments in special areas (like roads or power) is financed by AID.

Several of the agencies, notably the Departments of Agriculture and Treasury, have distinct personnel services related to international activities. They tend to recruit university graduates for a career entirely within the

international area. The international careerist, usually with a primary background in economics, is put through a planned career path which includes initial headquarters experience. On the basis of performance in this area, the man is selected for a tour abroad, followed by alternating tours at higher levels, both at home and abroad as Agricultural (130) or Treasury (34) attachés. The overseas tours may be in several countries. Language and country training is increasingly stressed, and is obtained through the Foreign Service Institute. By and large, the professional quality of the people is high, and these attachés serve as valued members of the embassy staffs, usually within the Economic section.

The attachés are, of course, GS employees and do not have some of the benefits of the Foreign Service. The question of counselor and diplomatic status has been a frequent matter of contention between these agencies and State.

The Departments of Commerce and Labor have similar, though not as well developed, international services. Their activities in the area are growing, particularly at the Department of Commerce, with the emphasis placed on trade promotion, East-West trade, technology exchange, etc. These two departments do not have separate attachés; the commercial and labor work at overseas posts is performed by State Department FSOs.* Export promotion, for example, has been given greater attention by embassies and consulates. An internal study is underway in State right now as to how to improve contacts with labor movements in many countries (there is always the question of whether the FSO generalist in a labor attaché post has sufficient credibility to gain rapport with foreign leaders). There are personnel exchange programs worked with both agencies (the Commerce-State exchange runs about 20 people each way).

The time has come when it is important to give more systematic attention to the quality of these "domestic" agency international functions. They are important contributors to the substance of foreign policy. The President is best served if they are strengthened.

It is our belief that the assignment of separate attaché systems to Treasury and Agriculture has produced a better understanding of international problems in the departmental staffs and has enabled these services to attract higher quality people. At the same time, this device must be used sparingly to avoid undue proliferation of people overseas and confusing our bilateral relations. State must have coordinating responsibility, both in the embassies and at home.

The Task Force on Foreign Economic Policy has recommended that Commerce "assume direct responsibility for

*The Department of Commerce does have about 15 trade fair directors overseas.

providing overseas commercial representation and operations involving trade and investment assistance to U.S. and foreign businesses." This transfer of responsibility, it is argued, would permit State to place more emphasis on general economic analysis and reporting, thereby improving its competence in foreign economic policy. It would afford the Commerce Department an opportunity to make needed improvement in its international trade and investment activities.

D. The Foreign Affairs Executive Service

The importance and complexity of foreign policy development and implementation today requires experienced, broadly trained executives available to support the President and Secretary of State. There is a need for a more comprehensive approach to this problem—i.e., developing a government-wide pool of such executives which can direct critical staff and line operations in the international arena. A President can no longer assume that executive talent will be available to develop imaginatively and to administer sensitively the foreign policy required. He cannot assume that job experience in any one agency "feeder" system, or subsystem, is broad enough to permit handling the streams of variables which will confront the foreign affairs executive.

It is not easy for a President or Secretary of State to take the long view and to alter the current framework to meet future needs. There are built-in resistances at agency and congressional committee levels. Significant change would affect time-honored Agency prerogatives. The time of political executives is often short, and there are too many other battles to be fought.

Yet there never was a more critical time to start in the field of career executive development. Watergate and executive pay problems have hurt the career executive population. An initiative in the foreign affairs area might signal new concern with personnel management and new opportunities for talent in and outside the Government.

Moreover, an initiative in foreign affairs executive development would make sense. The populations are small enough to work with (some 2,150 out of 10,000 Federal executives). The President's authorities for and the national importance of international relations are clear. Moreover, one cabinet officer, the Secretary of State, has leadership responsibility in the area and "owns" a large portion of the "assets."

Our study has identified about 2,155 executive level jobs (supergrade or FSO-2 and above) in the foreign affairs area:

TABLE VII.—EXECUTIVE JOBS IN INTERNATIONAL ACTIVITIES

	Washington	Overseas	Total
State	562	479	1,041
Other Foreign Affairs Agencies	445	401	846
Other Departments & Agencies	236	32	268
Total	1,243	912	2,155

All but about 100 of the above are career officials.

1. THE PROPOSAL

The President would designate certain foreign affairs executive jobs and the men who hold them as part of a Foreign Affairs Executive Service. The number might be somewhat smaller than the 2,155, because "designation" would be made only after a job-by-job analysis. For example, the Service might not include all Ambassadors and DCM jobs now classified as FSO-01/02. In effect, the President would assume that the designated jobs were filled only after a systematic executive search across the various agencies' "feeder" systems.

The President would also instruct the head of each agency involved to improve Executive Development Programs within his agency. He would issue policy guidelines for this effort which would insure that each "feeder" system made an optimum contribution to the government-wide approach. For example, such guidelines would govern interagency details for career broadening and portability of retirement benefits. They would also establish procedures for monitoring progress of the program and individuals in it.

2. ADMINISTRATION

It is proposed that prime responsibility for support to the President in implementing the Foreign Affairs Executive Service be placed in the Department of State, under a Presidential charter. Carrying out this responsibility would be accomplished largely through expansion of the above-described Executive Development Staff reporting to the Under Secretary for Management. This professional staff would review executive development programs of the agencies, draft guidelines, conduct talent search across agency lines, and propose to the responsible agency head or other officer a list of best-qualified candidates for designated positions. The staff would also organize an *annual executive manpower review* to monitor progress of agency programs and key individuals with executive potential. A major function would be to give effect to and monitor personnel exchange and training programs.

Legislation may eventually be required to give

the government-wide function more teeth. However, we believe it could operate initially as outlined within existing law, relying on the President's general responsibilities as Chief Executive, and for conducting foreign policy.

The way in which State behaves is important to the success of this program. If agencies believe that all the best jobs go to the Foreign Service Officers, there will be little interest in the system. The key will be perceived quality of the candidates and the fairness of State's administration of these activities.

There is also the option of staffing the Foreign Affairs Executive Service from the Executive Office of the President. This approach has substantial organizational logic. But given Congressional history, the desirability of placing responsibility in a Department with an adequate charter, and the climate of the times support putting the function in State.

E. The Foreign Service Institute (FSI)

The FSI should play an important role in the President's concern for improving the quality of personnel across the government in international affairs and in executive development. We believe this is within the mission set forth in law, but it has not yet been fully implemented. The FSI should be considered a national training institution operated by State to meet the needs of all agencies in this field. Its curriculum should be reviewed and developed accordingly. Its effort should be coordinated with some of the management training offered by the Civil Service Commission and the Universities.

F. Recommendations

1. GOVERNMENT-WIDE CONSIDERATIONS

- The President should recognize the increasing importance of many "domestic" agencies in the foreign affairs field and should take steps to strengthen the personnel systems in international activities to participate effectively in the development and execution of foreign policy.
- He should give effect and support to a family of compatible agency-run systems (State, AID, USIA, ACDA, Agriculture, Treasury, Commerce, Export-Import Bank, Defense (ISA), Action, etc.).
- *The President should issue general rules and standards which would guide development of these systems and establish an overall framework for them.*
- *The President should establish a cross-agency, international executive development program. This*

would involve review and coordination of existing agency executive development programs and government-wide and private sector search for talent to fill designated career and non-career jobs in a *Foreign Affairs Executive Service (FAES)*.

- To assist him in the above functions, the *President should look primarily to the Secretary of State and the executive development capabilities of his Department under the Under Secretary for Management.* (An option would be to establish this function in the Executive Office of the President.)

2. FOREIGN AFFAIRS AGENCIES

- The Commission recommends an important national decision in the Executive Branch and Congress as to the role and scope of the economic development program. An effective personnel program cannot be operated in the present conditions of uncertainty. With the closeout in Southeast Asia, this is a propitious time to reexamine AID's longer-term mission.
- If the program is to be continued, AID—or its successor agency—should develop a "compatible" but separate personnel system designed to attract and retain high-quality development professionals.
- USIA's personnel system, under the new agency proposed by the Stanton Panel, should continue as a *separate system* with "compatible" regulations. *FSIOs should not be merged as a fifth cone of the FSO Corps.* The new agency should develop the unique kind of staff required to coordinate and manage the increasingly important exchanges and contracts through private channels.

3. DOMESTIC AGENCIES

- The Departments of Agriculture and Treasury should continue to operate separate attaché systems as a part of the international career systems.
- *Commercial attachés at large posts, or posts where there is to be sufficient trade initiative to warrant a full-time commercial attaché, should be established under the Department of Commerce.* This reflects the long-run importance of export promotion, and the need to improve Commerce personnel and capabilities to perform this function effectively. (Legislation required.)

4. FOREIGN AFFAIRS INSTITUTE

- The Foreign Service Institute program should be a major instrument, one expanded to handle the principal language and foreign affairs training for all agencies. *Its name should be*

changed to Foreign Affairs Institute (FAI) to recognize the broader mission.

- The funding of FAI should be made entirely reimbursable, with State and other participants paying their share of the costs in the form of tuition. A revolving fund should be established to permit financial planning on a long-term basis.
- Steps should be taken to provide better physical facilities in the Washington area. Appropriations should be sought for this purpose.
- The current Director has done a commendable job and deserves strong Departmental support in developing plans for the new mission and facilities. When the position does become vacant, a new Director should be sought nationwide in an effort to find a person of distinguished attainments in foreign policy administration, both as a practitioner and educator.
- The faculty mix should be altered to include more members from relevant graduate schools who have demonstrated ability to work with experienced adults; some should also come from other training centers engaged in development of public and private executives.

VI. EMPLOYEE-MANAGEMENT RELATIONS

Recent developments in employee-management relations (EMR) in many ways add to the inflexibilities and uncertainties of effective personnel management in the foreign affairs agencies. To place our recommendations in perspective in this complex field, some background and discussion of current problems are required.

A. History

U.S. labor-management relations in the private sector are considered among the most advanced of the free world. This reflects more than 150 years of experience and the gradual development of law culminating in the National Labor Relations Act of 1935. This Act had as its basic purpose the encouragement of collective bargaining as a means of minimizing conflict between employers and employees. The Act recognized the right of employees to be represented by unions and established procedures for determining and enforcing their rights. Among the key features were exclusive recognition of majority-designated employee organizations, collective bargaining on an adversary basis on conditions of employment, written fixed-duration

agreements, preservation of the right to manage, and machinery and procedures to help resolve disputes.

Executive Order (E.O.) 10988 issued by President Kennedy in 1962, established a framework for conducting labor-management relations within the Executive Departments. It recognized employee organizations and prohibited unfair labor practices. Perhaps most important, this Order provided experience for managers in dealing with employee unions. Although State's employees were covered under the order, no union activity took place; i.e., no petitions were processed against State.

On January 1, 1970, Executive Order 11491 replaced the earlier order and brought into Federal personnel administration many of the principles and practices of the private sector, including the adversary bargaining relationship. It set up three-part machinery: (1) the *Assistant Secretary of Labor for Labor-Management Relations* to decide upon issues relating to the appropriate unit for exclusive bargaining, to supervise elections, to decide unfair labor complaints, etc.; (2) the *Federal Service Impasses Panel* to consider negotiation impasses when voluntary arrangements have failed; and (3) the *Federal Labor Relations Council*—whose members include the Chairman of the Civil Service Commission, the Secretary of Labor, and the Director, Office of Management and Budget—to administer and interpret the order and to hear appeals from decisions of the Assistant Secretary of Labor. The Order provided for majority of agency employees and "national consultation rights" to an organization representing a "substantial number" of employees. The Order excluded from its provisions employees of the FBI, CIA, other intelligence, investigative or security units, or any installation or activity located overseas where an agency head determines that exclusion would be in the national interest.

Almost immediately, State Department representatives, led by Mr. William Macomber, then Deputy Under Secretary for Management, moved for exclusion of the Foreign Service from E.O. 11491. In letters to the Chairman of the Civil Service Commission, dated November 14 and 20, 1970, Macomber argued that E.O. 11491 applied primarily to the Civil Service and that the three foreign affairs agencies (State, USIA, and AID) required their own framework. He based his position on (1) the special conditions of employment, compensation, and benefits of the Foreign Service, (2) the rank-in-the-man system, (3) the requirements of worldwide mobility under a flexible assignment system, and (4) "the more intimate relationship [required] between the President, Secretary of State, and the personnel who are entrusted with the execution of United States foreign policy."

Macomber objected specifically to three features

of E.O. 11491: exclusive recognition, adversary bargaining, and disputes settlement by "outsiders." He believed that these features, particularly the formal adversary relationship between FSOs and the heads of foreign affairs agencies, could adversely affect the conduct of day-to-day foreign affairs operations and, in certain instances, "could be detrimental to our national security."

The Department proposed a single amendment to E.O. 11491 excluding the Foreign Service agencies to be followed by a memorandum from the President to these agency heads. The memorandum would require the agency heads to afford to officers and employees excluded opportunity to belong to a labor organization or other association of employees and to consult with management, individually or through their organizations or associations, on personnel policy matters. As Macomber stated, "We believe that consultations with management and appeals to the Board of Foreign Service are superior to resort to outside authority provided for under the Executive Order."

The Federal Labor Relations Council believed that employees of the three agencies should be treated under the basic E.O. 11491 and that exception was not required. There was ample provision under E.O. 11491 for the desired consultation on personnel matters with the American Foreign Service Association (AFSA) or any other professional association even though they were not exclusive bargaining agents. In a January, 1971, memorandum to the President, the Council proposed three options: (1) exclude the Foreign Service elements from E.O. 11491 (State position); (2) do not exclude them (the Council's and the OMB's position); or (3) exclude them contingent on developing a separate EMR program acceptable to the Council. In March, 1971, the President sent a memorandum to CSC Chairman Hampton indicating his choice of Option 3.

Several following months were devoted to developing a separate order to implement the President's decision. There were essentially three-sided negotiations among State, AFSA, and the Council, with State as the "middleman." Many pressures affected the final solution. Concern about morale in the Foreign Service at that time acted to strengthen the position of AFSA. AFSA, which had originally supported the State position for simple exclusion from E.O. 11491, recognized the advantages of exclusive bargaining rights and maneuvered to maintain a favored position relative to potential rivals. State insisted on the "consultation" framework without fixed term, written agreements, and on the use of an "inside" mechanism (Board of Foreign Service) for administering the proposed Order and settling disputes. The Council opposed continuous consultation and urged: a clear statement of rights

of employees, organizations, and agency management; criteria for recognition of organizations; definition of scope and coverage of agreements; and effective machinery for dealing with dispute impasses and grievances. Thus, E.O. 11636 was born in compromise and signed by the President on December 17, 1971, almost two years after the general E.O. 11491.

The stipulations of E.O. 11636 dealing with rights of employees and management, election of exclusive representatives, unfair practices, etc. were similar to many of the provisions of E.O. 11491. However, E.O. 11636 also had a number of unique features:

(1) It provided that a foreign affairs agency and a recognized organization shall "consult" in good faith regularly and prior to the adoption of proposed or revised personnel policies and procedures as compared to "negotiation" of fixed-term agreements under E.O. 11491. Where personnel policy or procedure applies to employees of more than one agency, consultations were to be held jointly between representatives of the agencies and the organizations.

(2) It mandated a *single, agency-wide bargaining unit* covering the Foreign Service element of each of the three foreign affairs agencies, whereas E.O. 11491 permits establishment of smaller units based upon clearly identifiable community of interest among employees.

(3) The Secretary is authorized to issue substantive regulations which define the appeals procedure.

(4) Supervisors can be included within the bargaining units, whereas they are excluded under E.O. 11491.

(5) E.O. 11636 established the following machinery:

(a) The *Board of the Foreign Service* would oversee the EMR program, interpret the Order, consider policy issues arising under it, resolve appeals, and make recommendations to the Secretary concerning implementing regulations.

(b) An *Employee-Management Relations Commission*, established as a Committee of the Board with representatives from Labor, CSC, and OMB (Chairman), would decide questions concerning eligibility of organizations, supervise elections, deal with issues of "consultability" and unfair practice complaints.

(c) A *Disputes Panel*, acting as an adjunct of the Board, would assist in mediating disputes arising in the course of "consultation."

(d) A *Grievance Board*, established prior to the Order, was to be continued on an interim basis until the agencies and recognized employee organizations agreed upon new procedures for

handling employee grievances (it is still operating).

Since the Order was issued, AFSA, which has had a distinguished 50-year history as a professional association, has reorganized itself to qualify as an employee representative organization. In 1973, it entered elections in the three agencies and won by majority vote the right to be the exclusive representative (bargaining agent) for all Foreign Service employees of AID, USIA, and State. It thus represents about 11,000 employees including FSOs, FSIOs, and FSRs—as well as communicators, couriers, administrative personnel, and secretaries (about 40% of the Foreign Service are in the non-officer categories).

Some 3000 civil servants in State, AID, USIA, and OPIC are represented by the American Federation of Government Employees (AFGE), an AFL-CIO affiliate. This union has consistently opposed the separate E.O. 11636 and would prefer that foreign affairs agencies operate under the Government-wide E.O. 11491. The union is also said to be making a strong bid to be the exclusive representative for USIA, where the first election—favoring AFSA—was very close.

The position of AFSA under the Order has been somewhat ambiguous. Its leadership was young and vigorous but lacked the substantive experience usually associated with the serious task of employee representation. It has, on various occasions, acted both as a professional association and as a “union” (e.g., its drive to broaden its membership). It has stressed its ties to State top management and has proposed the philosophy of “co-determination” in cases where the interests of AFSA and State Department management are essentially the same. (AFSA is less generous with the managements of AID and USIA.)

B. Current Problems

Operations under E.O. 11636 have been satisfactory, if one is concerned about avoiding major confrontations and adverse publicity to the Department of State. Consultation has proceeded on a number of issues: about 25 agreements have been signed. The grievance procedures have been handled expeditiously, the large majority being settled in favor of the employee. On the whole, AFSA (but not AFGE) is quite pleased with arrangements for handling almost any personnel concern it may have.

However, from the point of view of effective personnel management, the “compromise” arrangement which led to E.O. 11636 has not worked well, and the future problems under the order will probably grow. What was intended originally as continuing “consultation” within the

family of the Foreign Service is fast becoming a complex, adversary, legalistic personnel governance system where the lines between management and the “union” are hard to find. The specific problems can be summarized as follows:

1. LACK OF MANAGEMENT DIRECTION

The State Department was very slow in organizing itself to handle labor-management relations. State has not yet developed the professional expertise and continuity required. A small EMR office was attached to the Director General. However, AFSA tended to ignore this office and to deal directly with senior levels, and the Department let this happen.

Moreover, it has never been clear who in the Department senior levels was in charge of EMR. The Deputy Under Secretary for Management and the Deputy Secretary have been in and out of various issues depending on whom AFSA approached. These officials tend to rotate every two years or so. The situation is complicated by signals from the top, which are to keep things on an even keel and to keep out of the headlines. This led one of the Commission's consultants to conclude that responsible State officials seem more concerned with avoidance of the possibility of unfair labor complaints being filed than with taking a policy position, and retaining it in the face of continued opposition by AFSA.

2. THE ROLE OF THE BOARD OF THE FOREIGN SERVICE

The Board was chosen as the keystone of the EMR system apparently because it seemed to fit its policy responsibilities related to the Foreign Service. However, it has proven particularly ill-suited to labor relations. Its members, particularly the seven majority from the foreign affairs agencies, have no experience in labor relations. It has fashioned no machinery to keep itself alerted as to ongoing and upcoming policy issues. It has neither sought nor encouraged “feedback” by its membership. It has not monitored sufficiently the degree or manner of consultation among the three foreign affairs agencies. It has inadequate staff for these purposes.

Last year, the Board became very concerned that the high number of appeals to it under the Order would interfere with its policy advisory role to the Secretary in personnel matters. For this reason, it decided last November to terminate its appeal functions.

We conclude that, for reasons indicated, *the Board should be taken out of the EMR role completely and that another more expert body be substituted solely for this purpose.*

3. CONFLICT OF INTEREST

The procedures for both E.O. 11491 and E.O. 11636 were made for the traditional rank-in-the-job situation, rather than a rank-in-the-man system like the Foreign Service. The line between management and labor is almost impossible to define. Most of the senior officials of the Department are, or have been, members of AFSA. All would benefit from concessions to AFSA relating to overseas benefits which are under the Secretary of State's jurisdiction. More specifically, as Mr. Macomber pointed out in his letter of November, 1970, to the Chairman of the Civil Service Commission, 80% of the official positions in State's Office of Personnel who deal with the issues under consultation are FSOs.

Thus, FSOs serving under special Presidential appointment sit on both sides of the labor-management table in the "consultation" situation. This situation does not fit established practice in the labor-relations field. It does not conform to the image the Foreign Service has of itself (the diplomat-manager) in supporting the Secretary and the President in the coordination and development of foreign policy. It certainly does not adequately protect the public.

We conclude that the best interests of all parties would be served by exempting at least the Presidentially appointed FSOs from the adversary, exclusive agent bargaining arrangements of E.O. 11636. *In this sense, the original position of the Department requesting an exclusion of the Foreign Service from E.O. 11491 appears to have been correct.*

Foreign Service Officers operating in disparate posts abroad do have need to express their needs collectively through representatives who represent the best qualities of the service. This representation could continue to be done by AFSA, not as an agency-wide, exclusive bargaining agent, but as a professional organization. Individual grievances could be handled through the preexisting Grievance Panel or some similar arrangement.

4. CONSULTATION

Consultation has, in fact, become an adversary proceeding where the Department's personnel manual is considered the "contract." All changes are checked with AFSA in advance. Where AFSA opposition is known, there is delay and paralysis in the personnel function.

To remedy this, the Order should be clarified so that the management of the three agencies cannot be stopped from taking action on any pending matter whose "consultability" is being urged by the employee organization. Moreover, there must be management freedom, without prior consultation, to change personnel policies and practices in areas reserved for management under the Order.

Further action must be taken to strengthen consultation among the agencies in EMR. A firmer State management position in EMR will tend to help this process.

5. ROLLING NEGOTIATIONS

The system of item-by-item negotiations based on the Order's provision for regular consultation should be amended to provide for more comprehensive written agreements over a fixed period. This would help to reduce the confusion regarding the large number of agreement "understandings" being processed piecemeal in the Department at any one time. Moreover, once signed, the agreements can be reopened under pressure from the employee organizations. This is contrary to good labor-management practice.

C. Recommendations

Only one solution appears to deal adequately with the many problems, is administratively simple, and fits longer term needs. It is to adopt an approach similar to that originally proposed by State, along the following lines:

- Revoke E.O. 11636 as it now stands.
- Continue to exempt Foreign Service Officers from the main provisions of E.O. 11491, as Presidential appointees.
- Extend a similar exemption to FSIOs and FSRs of the three agencies; i.e., all rank-in-the-man professionals.
- Provide for representation of the above officers through AFSA, or other organizations, as professional associations.
- Provide all non-officer employees of State, AID, and USIA representation and bargaining rights under E.O. 11491.

It is not easy to roll back the clock. But there are times when this must be done, when the alternative is proceeding in a direction which may be harmful to all parties. It is not clear, for example, that the present drift toward making AFSA an agency-wide industrial type "union" is in the long-term interests of Foreign Service Officers. There would appear to be longer-term costs not only to the image of the FSO Corps *vis à vis* the Congress and the public, but also to its effectiveness as a member of foreign affairs management.

If a separate Executive Order for Foreign Affairs agencies is deemed necessary, somewhat along the lines of the present E.O. 11636, the following changes should be made to strengthen the program:

- There should be a single focal point in State for mobilizing the necessary management re-

sources to conduct effective EMR. That focal point should be the proposed Under Secretary for Management, supported by an experienced professional staff with continuity.

- The Department should enforce the use of this office as the appropriate management channel in dealing with employee organizations. It should clarify its EMR policies.
- *The Board of the Foreign Service should be taken out of the employee-management relations business.* In its place, general oversight should be given to a new seven-man Foreign Affairs Council composed of representatives of State (two members including the chairman), AID, USIA, Labor, CSC and OMB who have expertise in the EMR field. The Council would be advisory to

the Secretary as to the operation of the EMR system and as to policy required to make the system work.

- The Disputes Panel should continue to settle all cases brought, subject only to review by the heads of foreign affairs agencies.
- *The new Executive Order should provide for fixed-period contracts, thus eliminating the current "rolling" negotiations.*
- State should give more consideration to the views of AID and USIA in the required inter-agency consultation.
- *Discretionary benefits should be removed from the bargaining either by amending the Order or by assigning the determination to OMB, CSC, or some body outside State.*

ATTACHMENT A.—THE FOREIGN SERVICE OFFICER (FSO) CAREER

<i>Age</i>	<i>Class</i>	<i>Position</i>
27	FSO-7	Basic officers orientation course in Washington (5 weeks)
29	FSO-6	Assignment to Department (2 years)
		First assignment to post abroad (2 years, with possible rotation between jobs at post)
31	FSO-5	<p>(Possible training in hard language, 9 months to 2 years)</p> <p>(Possible academic year at university or 26-week FSI economics course)</p> <p>Second post abroad (3 years, in different continent from first) (May be in job other than primary functional specialty)</p>
36	FSO-4	<p>Second assignment to Department (4 years, in two different offices; one job or both in primary functional specialty)</p> <p>(Possible 2-year detail to another agency, 1-year Congressional fellowship, etc.) (Two or more 1–2 week courses at FSI)</p> <p>Third post abroad (3–4 years, in supervisory job—section chief in smaller Embassy, principal officer of smaller Consulate—in geographic area of primary specialization and usually in area of primary functional specialization)</p>
41	FSO-3	<p>Fourth post abroad (3–4 years, perhaps as DCM in smaller Embassy, in new geographic area if previous assignments have been too specialized geographically)</p> <p>Third assignment to Department (academic year of senior training at FSI, war college, or university, followed by one or two assignments in Department, one of them probably outside primary areas of specialization; total length of tour in US, 3–5 years)</p>
46	FSO-2	Fifth post abroad (3–4 years, as DCM in medium-sized Embassy, section chief in large Embassy, or Consul General)
50	FSO-1	Ambassador to a small country
56	Retirement	Deputy Assistant Secretary of State

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ATTACHMENT B.—DEPARTMENT OF STATE PROFESSIONAL PERSONNEL (12/31/74) BY UNIT AND PAY PLAN

	<i>Executive Level</i>	<i>FSO</i>	<i>FSIO</i>	<i>FSR</i>	<i>FSR/U</i>	<i>FSS</i>	<i>GS</i>	<i>Total Professional</i>
I. Headquarters								
A. Secretariat								
Secretary, Special Assistants, Ambassadors at Large	3	28	2	9	1	—	6	49
Deputy Secretary	1	3	—	2	1	—	2	9
Under Secretaries	2	6	—	1	—	2	1	12
Deputy Under Secretaries for Management	—	6	—	4	3	1	5	19
Policy Planning	—	12	1	11	—	—	5	29
Counsellor	—	4	—	—	—	—	1	5
Executive Secretariat	—	50	—	5	1	1	28	85
Press Relations	—	5	—	1	2	1	6	15
Congressional Relations	1	1	—	6	2	—	8	18
Protocol	1	1	—	5	1	1	22	31
Legal	—	3	—	16	1	—	54	74
Inspector General of Foreign Assistance	2	1	—	15	4	—	4	26
Subtotal	10	120	3	75	16	6	142	372
B. Functional Bureaus								
Educational and Cultural Affairs	1	54	11	28	5	9	85	193
Economic and Business Affairs	—	103	—	9	4	3	19	138
Oceans and International Environmental and Scientific Affairs	1	9	—	13	9	—	4	36
Intelligence and Research	1	70	—	44	22	6	93	236
International Organization Affairs	2	72	—	30	6	6	40	156
Political-Military Affairs	—	56	—	6	3	1	13	79
Public Affairs	—	6	3	35	10	5	33	92
Security and Counsellor Affairs	1	38	—	44	6	8	318	415
Subtotal	6	408	14	209	65	38	605	1345

C. Regional Bureaus								
African Affairs	—	68	—	6	1	10	8	93
European Affairs	—	118	1	10	2	4	15	150
East Asian and Pacific Affairs	—	86	—	5	1	5	9	106
Inter American Affairs	3	77	1	2	—	6	11	100
Near East and South Asian Affairs	—	63	—	3	—	6	5	77
Subtotal	3	412	2	26	4	31	48	526
D. Management								
Director General/Personnel	—	89	—	62	11	38	89	289
Inspector General of Foreign Service	1	31	—	13	2	—	5	52
Administration	—	43	—	289	56	158	598	1144
Foreign Service Institute	—	186	1	24	8	3	33	255
Special Complement	—	24	—	74	—	3	7	108
Subtotal	1	373	1	462	77	202	732	1848
TOTAL HEADQUARTERS	20	1313	20	772	162	277	1527	4091
II. Field								
International Organizations	1	12	2	4	4	—	—	23
African Affairs	28	226	—	92	11	90	—	447
European Affairs	40	795	4	174	42	339	—	1394
East Asian and Pacific Affairs	14	391	1	103	28	178	—	715
Inter-American Affairs	22	407	—	123	9	146	1	708
Near East and South Asian Affairs	20	279	2	89	18	99	—	507
TOTAL FIELD	125	2110	9	585	112	852	1	3794
III. GRAND TOTAL	145	3423	29	1357	274	1129	1528	7885

ATTACHMENT C.—SUMMARY: EMPLOYMENT IN INTERNATIONAL ACTIVITIES (CURRENT LEVELS)

Department or Agency	Total Americans			Professionals			Executives		
	U.S.	O/S	Total	U.S.	O/S	Total	U.S.	O/S	Total
A. Foreign Affairs Agencies									
State Department	6,541	5,581	12,122	4,091	3,794	7,885	562	479	1,041
AID	2,876	1,613	4,489	2,043	1,394	3,437	241	282	523
USIA	3,242	943	4,185	2,170	821	2,991	154	111	265
ACDA	208	—	208	88	—	88	42	—	42
Peace Corps (ACTION)	175	193	368	96	185	281	8	8	16
Subtotal A	13,042	8,330	21,372	8,488	6,194	14,682	1,007	880	1,887
B. Departments and Agencies with Major International Activities									
Agriculture	792	131	923	423	105	528	9	11	20
Commerce	1,023	15	1,038	807	14	821	19	0	19
Defense	211	49	260	109	28	137	19	5	24
Labor	165	—	165	89	—	89	4	—	4
Treasury	337	34	371	165	20	185	42	7	49
Executive Office of the President	254	—	254	175	—	175	49	—	49
• NSC	(70)	—	(70)	(47)	—	(47)	(12)	—	(12)
• Council on International Economic Policy	(31)	—	(31)	(21)	—	(21)	(11)	—	(11)
• Special Representative for Trade Negotiations	(45)	—	(45)	(30)	—	(30)	(11)	—	(11)
• OMB	(106)	—	(106)	(76)	—	(76)	(15)	—	(15)
• Council of Economic Advisors	(2)	—	(2)	(1)	—	(1)	(—)	—	(—)
HEW	293	51	344	116	44	160	6	—	6
HUD	24	—	24	14	—	14	2	—	2
Interior	71	62	133	43	56	99	2	1	3
Justice	26	334	360	17	263	280	1	5	6
Transportation	164	—	164	104	—	104	16	—	16
EPA	32	—	32	20	—	20	1	—	1
Export-Import Bank	429	1	430	267	1	268	14	—	14
International Trade Commission	380	—	380	237	—	237	12	—	12
Inter-American Foundation	74	—	74	45	—	45	3	—	3
FEA/ERDA	99	11	110	56	6	62	13	2	15
Foreign Claims Settlement Commission	15	18	33	7	17	24	3	—	3
NASA	25	14	39	15	14	29	3	1	4
National Science Foundation	101	3	104	58	3	61	9	—	9
Overseas Private Investment Corporation (OPIC)	113	—	113	46	—	46	9	—	9
Smithsonian Institution	11	—	11	7	—	7	—	—	—
Subtotal B	4,639	723	5,362	2,820	571	3,391	236	32	268
Grand Total	17,681	9,053	26,734	11,308	6,765	18,073	1,243	912	2,155

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Executive Manpower Systems and Overseas Assignment Practices in Multinational Corporations

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March 1975

SUMMARY

Executive Manpower Systems

The executive manpower systems of leading, large industrial businesses tend to have the following eight common characteristics:

1. The top executive is personally committed to and involved in the system.
2. All managers in the hierarchy feel and are held accountable for the development of subordinates.
3. It is recognized that producing an internal, upward flow of competent executives is a long-term proposition.
4. Executives are promoted on the basis of performance and achievement.
5. Vertical growth to the top levels of the hierarchy is attainable.
6. The system has been designed and tailored to the needs of the company and reflects its uniqueness.
7. It is recognized that executives develop primarily on the job, and thus jobs are utilized developmentally.
8. Unique staff contributions are required to make the system function properly.

Important variations were found in staffing strategies (predominantly "promote from within"), basic philosophy (i.e., amount and kind of authoritarianism), the degree to which very different types of executives are produced in the systems, and the amount and kind of data used in planning and selection.

In addition to the eight characteristics, leading firms tend to employ some common practices or

techniques. Included are: fostering a motivational climate; having a good feel for historical executive mobility; utilizing in-house and university management courses as a supplement to growth on the job; holding comprehensive, annual manpower status reviews; identifying high potential managers and treating them differentially; controlling the selection process so that appointments may be used in the executive development process; setting goals and measuring and rewarding performance accordingly; and employing a variety of practices to optimize the utilization of executives over 50.

Three emerging issues have not yet been fully appreciated and dealt with—even by companies with sophisticated executive manpower systems. The issues are: the imminent rise in the hierarchy of executives with untraditional attitudes, values, and life styles; the tremendous and increasing complexity with which business executives have to cope; and the transfer of more power to the individual in the employment equation.

Overseas Assignment Practices

U.S. expatriates ¹ typically comprise a small part (9%) of the large multinational company's executive population. Those companies have deliberately followed a strategy of acquiring and grooming foreign nationals to staff overseas operations. But the U.S. expatriate is more important to the multinational firm than the percentage implies. They tend to hold key positions, they are utilized to train foreign national successors, and they establish smooth communications and relationships between foreign and domestic operations.

¹Executives who are United States citizens based overseas.

Executives are attracted to overseas assignments primarily by their perception that such service will enhance their careers. They are most likely to accept such assignments when the company has demonstrated or guaranteed sound repatriation practices. Opportunities to profit financially are neither offered nor needed if the other two conditions are met, but the foreign service executive receives allowances which do not penalize his acceptance of such an assignment. If the importance of U.S. executives serving overseas is just emerging and is not historically obvious in a given company, the firm may utilize top executive persuasion in addition to the practices described above to attract incumbents.

INTRODUCTION

The study undertaken by The Commission on the Organization of the Government for the Conduct of Foreign Policy is quite broad. "Personnel" is one of its several lines of inquiry and analysis. The Commission has requested this paper covering certain private sector personnel principles and practices to determine if any elements of corporate systems—at least those generally acknowledged to be among the leaders—might be advantageously applicable to equivalent government personnel systems.

This paper addresses two topics:

1. Executive² manpower planning, development, or continuity systems in leading, large multinational corporations: what are the critical similarities and differences and why do these exist.
2. Overseas staffing practices of such corporations: how do they deploy and repatriate executives who are citizens of the United States; what are the inducements, allowances, and re-entry arrangements.

The approach taken in developing this paper was to utilize knowledgeable specialists and have them do a survey of a limited sample of corporations to augment, update, verify, and synthesize their existing information base. A literature search and a university survey were also undertaken. The data drawn from company practice, universities, and the

²Companies vary significantly in their definitions of "executive". They almost always refer to those on a certain "payroll", and the threshold in many is currently about \$30,000 annual salary. In the very large companies, the executive tends to be in the top three or four layers of management and an officer. At the low end of this range the executive may just be starting to have some accountability for corporate-as-a-whole matters. The executive may have functional (i.e., marketing or finance) responsibilities or be a business general manager, the latter being more prevalent in large, diversified companies.

literature are believed to be representative of leading practices.

Companies whose inputs were solicited were chosen on the basis of their size, stake in international business, or reputation for excellence in the subject areas—and some for all three. Many institutions not surveyed would have been equally qualified to contribute, but time precluded more rigorous research. Included were some extremely diversified companies, as well as those providing primarily a single product or service. One company essentially started overseas and expanded into the United States while others followed the opposite cycle. Some of these firms grew organically while the principal growth of others has been through acquisitions. The middle ground of the spectrum is also represented. A list of contributing institutions appears in Annex A.

Interviews were conducted with high level, expert personnel, mostly in person, but in a few instances by telephone. Interviewees were told that their inputs might be used alone or blended with others, but in any case in a manner that would preclude attribution. The candor and objectivity of those interviewed matched their obvious knowledge of the subject. No attempt was made, however, to develop in-depth understanding of the contributing firms.

The literature specifically reviewed for this paper was quite limited. A bibliography appears in Annex B. No effort was undertaken to list the more extensive literature which, over a period of years, helped shape the judgment and knowledge of the respondents or authors.

This paper deals with subjects where scientific or hard measurements are seldom valuable, and where numerical data are often less important than ideas and perceptions. It explores concepts, theories, and practices—most of which have not yet had scientific validation. Despite such limitations, the authors believe a credible, useful survey has resulted, largely because of the knowledge and experience of those who contributed—persons who were both architects and products of the systems described.

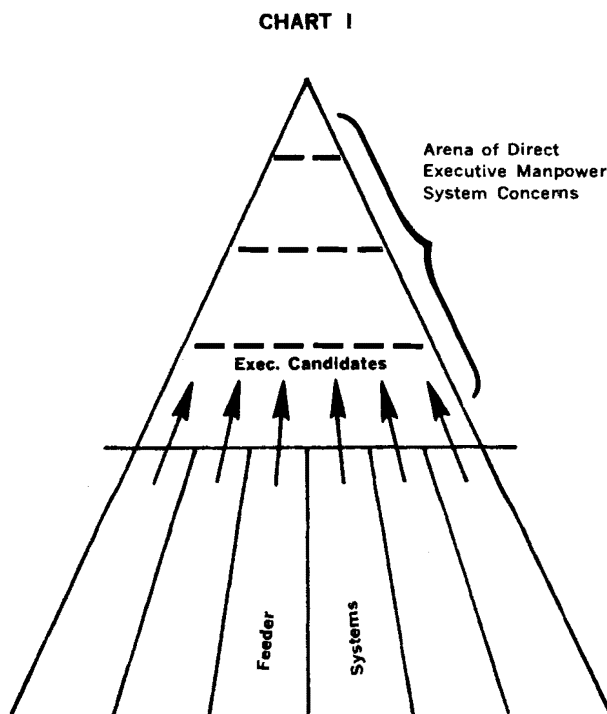
EXECUTIVE MANPOWER SYSTEMS

The "System" Aspects

Most companies who are concerned with executive continuity and succession, tend to think of and label their activities in this regard as a "system". Certainly the work is orderly and efficient—in short, "systematic". More importantly, the activi-

ties are viewed as inter-related or linked together as in physical systems. This thinking has led to a clearer view of the process by management and deeper commitments to it, to management's increased satisfactions with results, and to different organizational configurations for the staff work involved.

Executive manpower systems are designed to produce a specific result: a continuing flow of competent executives in the quantity and of the quality needed by the companies. "Executive" manpower systems are concerned with this flow into and within the top three or four layers of management. Most leading companies promote heavily from within and are thus dependent on this internal input of lower level managers. In a sense, the firms are the "victims" or "beneficiaries" of what has or has not happened to shape the quantity and quality earlier in careers. The following chart illustrates the situation schematically:



It is for this reason that most companies' systems extend deeper in the hierarchy than the executive layers, or monitor the effectiveness of the lower-level manpower systems. They do not leave these "feeder" systems to chance.

Depending on the nature and needs of the company, these feeder systems may be functionally-oriented (i.e., designed to produce a flow of marketing, financial, or production managers) or they may be designed to produce the flow of all the managers

needed in a given business or family of businesses. In large, complex firms, both kinds of feeder systems may exist. And of course, these feeder systems are also concerned with the development and motivation of individual contributors as well as managers.

Thus the leading companies view their systems and sub-systems as a pipeline, with entry-level recruits coming in one end and top executives coming out of the other. The system operates over the length of the pipeline to shape the desired end product.

Another analogy often used is that of the baseball farm club system. Players are recruited from high school and college and are assigned to a farm team. Depending on talent and achievement, some are moved up to "hotter" leagues. The best of these ultimately make the major leagues, having undergone extensive training, experience, and scrutiny in the process of taking on successively more difficult assignments.

In still another sense "systems" thinking has been of some importance. The activities performed by management in implementing an executive manpower system are interrelated, additive, and often sequential. The output of one activity is often the input to another (e.g., a performance appraisal being the basis of a salary decision). Additionally, the output of one activity may influence the output of a second which in turn is fed back to the first (e.g., an organization redesign needing to be evaluated and reworked because of the staffing problems it poses) and thus activities interact and are tuned much as components in a physical system.

Graphically, and in simplified form, an executive manpower system might appear as on Chart II from the standpoint of the activities involved (see *Appendix Annex C* for a more detailed view).

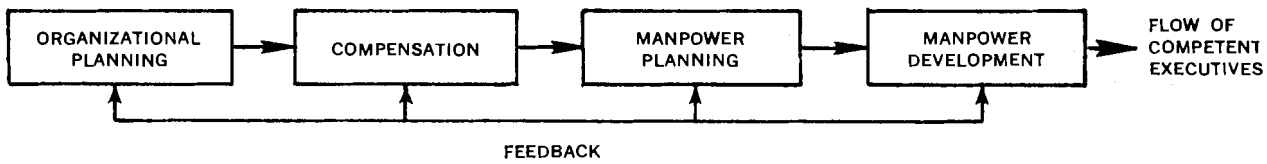
In general, executive manpower system activities include:

- the organization, planning, and measurement of work;
- the structuring, planning, and allocation of rewards and incentives;
- the identification, growth, and selection of people;
- and the discussion of all these with incumbents.

Critical Common Characteristics

Considering the dissimilarity of products, markets, strategies, philosophies, and organizations, etc. of firms recognized as having the most sophisticated and successful executive manpower systems, it is not surprising that those systems have

CHART II



many dissimilarities. But there are eight common characteristics or common underlying principles which appear to be critical to their success:

1. *Top level commitment:* the chief executive officer (CXO) has sincere, personal commitment to and involvement in the executive manpower system. This is both verbalized through policy, speeches, and through actions. The CXO regularly spends time on the various tasks of planning for top-level executive succession and this is known throughout the organization. The CXO inspects plans, reviews progress, rewards results, and rejects proposals which reflect inadequate manpower planning.

2. *All executives are responsible:* the CXO's commitment and involvement is extended to all managers in the hierarchy. They feel responsible and know they are accountable for the development of subordinates. They recognize and fulfill their obligations for delegating, coaching, encouraging, helping people get promoted, and removing personnel who cannot perform. Development considerations carry weight along with the needs of the business when "people" decisions are made. The managers throughout the hierarchy are the principal implementers of the system.

3. *Recognition that it's a long-term proposition:* no quick "miracles" are expected and there's an awareness that it cannot be turned on and off like a spigot. Executive manpower planning and development is a "way of life" in the firm. Its motivational value to employees and its importance in reaching corporate goals are understood and accepted. In lean years, frills may be cut but the core remains untouched.

4. *Performance/achievement orientation:* the system is designed to "pay off" for excellent performance, outstanding accomplishments, and successful risk-taking. Similarly, the virtues of longevity, and loyalty, while expected, carry relatively little weight in the reward, recognition, and progress equations. Nepotism, favoritism, and other forms of bias are absent. Selection involves strengths (not avoidance of weakness); track records; estimates of potential, and the "best" person.

5. *Vertical growth to the top is possible:* employees

may realistically aspire to positions at all levels of the hierarchy including the very top position. No class or layer of positions is reserved for an external or elite candidate stream. Since upward mobility is a reality, it is susceptible to planning and fosters very strong motivations.

6. *System tailored to the institution:* the executive manpower system has grown over a period of years out of the marrow of the institution. It has been designed to satisfy the mission, strategy, and objectives of the institution. It is culturally compatible, reflecting the uniqueness of the institution and is responsive to its needs. It includes "feeder" sub-systems and the overall flow of people upward. Throughout there is resistance to "fads" but a healthy amount of experimentation, application of ideas grown elsewhere, and attention to fundamentals.

7. *Work develops people:* there is appropriate recognition that executive development occurs primarily as a consequence of doing a difficult job with good results. Thus formal and ad hoc work assignments are planned and utilized for developmental purposes; growth patterns of experience, exposure, and challenge have been identified and constitute career planning frameworks, but not rigid tracks. Formal education and training courses, and seminars and workshops are also employed to impart skill and knowledge, to reintegrate and calibrate career sights, and to wring learning out of work experiences.

8. *Unique staff contributions:* although line managers, starting with the chief executive officer, make the system function, there are strong and unique staff contributions as well. These staff roles vary some from firm to firm, but the incumbents are commonly the system designers, analysts, and integrators. They are commonly separated organizationally from employees concerned with the usual personnel or industrial relations. They frequently serve as executive talent scouts, candidate data sources, career counsellors, and system consultants to executives. Such staff personnel usually have easy, direct access to top corporate management. They also have counterparts in the various line operations who concentrate on lower levels of manage-

ment: thus they head up a system's communications network. (See Annex D for an elaboration of this staff role.)

These eight features are the common denominators of established systems in leading firms and are the ones which maturing systems are striving to incorporate. Additionally, one technique—the annual manpower review—is commonly employed and is judged to be the single most potent tool in producing desired system results.

Important Distinctions

A few of the most notable system differences among companies surveyed shed further light on the significance of the eight which are common, and on the complex task of designing and implementing such systems.

Highlighted here are a few distinctions which arise from the culture of the firm itself—in a sense, organic ones—or from philosophical differences.

1. EXECUTIVE STAFFING STRATEGIES

a. *Promote exclusively from within:* this strategy is implemented by finding the best internal candidates for all openings and relies totally on the internal system to produce candidates in sufficient quantity and quality to meet the firm's needs. It has great motivational virtue; and it tends to protect the firm from unreasonable attrition, since employee aspirants know or can sense their competition. It produces incumbents who know the company and little acclimation time is lost after new appointments. Its major risk is inbreeding with well known attendant and inherent undesirable characteristics.

b. *Promote predominantly from within:* here the "usual" is the same as (a) above, but there is a recognizable (5–10%) infusion of outside talent brought in to fill executive openings. These executives may be "alumni" of the firm or totally new to it. This strategy preserves most of the advantages of (a) while reducing its principal disadvantage. It sets up "competitive tension" among upward striving aspirants which has both positive motivational and less desirable aspects. The major disadvantage, of course, is the increased risk of unwanted attrition.

c. *Choose the "best" person:* following this strategy in its pure form implies an exhaustive external as well as internal search for candidates whenever openings occur in an objective attempt to fill each opening with the most qualified candidate. If done well internal aspirants will recognize that when an external candidate is selected, he probably does possess qualifications and attributes superior to their own. It provides the company with new view-

points and an idea-competitive, scrappy environment. The most self-confident and competitive executives will be highly motivated, but others may leave when thwarted, or they may stay but lower their aspirations and productivity. Excessive tensions or emphasis on personal vs. company gain may develop.

The bases for deliberately choosing or evolving to one of these strategies lie in the way the firm has grown and in the variety and closeness with which its products or services are coupled. If the firm has grown by internal product development, or if there is a strong central thrust to its product lines, the more likely it is to follow a staffing strategy at the (a) end of the spectrum. If the firm has grown by acquisition or if it is highly diversified with little cross-company product ties, the more likely it will follow a strategy close to (c). Obviously, it is more difficult, expensive, and perhaps less desirable to try to develop "homegrown" executives when the firm has great diversity of product and service and thus the need for a tremendous variety of executive types.

Another observation about the viability of alternative strategies relates to growth of the company. When the firm is growing it may provide sufficient excitement and opportunities for all. Thus growth per se may mask an inherent weakness in the (c) type of strategy, and may force firms whose growth slows or stops to move toward the other end of the spectrum—perhaps to (b).

Finally, there are undoubtedly many firms in a "chicken-or-egg" staffing dilemma. Since they have not groomed a stream of competent managers, they are forced to go outside. This in turn causes a high attrition rate among younger, lower level managers who do have growth potential, but who see the top positions filled from outside. They may well perceive that they cannot be promoted to those positions and leave for firms where they feel they can. This, of course, produces the very condition—ten or fifteen years later—that will necessitate going outside again.

2. BASIC PHILOSOPHY

Companies vary significantly by their historical attitudes toward people and therefore toward executives. Some executive manpower systems reflect a more paternalistic attitude toward employees than others. Although the label is not important and may be semantically "loaded" and inaccurate, it helps to convey a one-word description of the more complex cultural "feelings" of the firm. This kind of company tends to place some emphasis on executive style and "how things are done". It views life styles, values, etc. of its employees as more within than outside the province of corporate con-

cerns. It tends to speak of its employees as "family" and its executives have paternalistic concerns for their subordinates. They "take care of their own" and once an employee has passed a probationary period, there is "womb-to-tomb" concern. The system is particularly manifest in the firm's attitudes and policies with respect to layoffs and firing. Usually, there is a "job-for-life" unless an employee is guilty of gross misconduct. Employees are treated with kindness, respect, empathy, and dignity, although they may be taken out of positions in which they don't perform well and moved to ones that make lesser demand. But the employee who has tried and failed, will not be shunted aside to find employment elsewhere, no more than the disappointing son or daughter will be ostracized from the family circle.

Other firms have a more unemotional, arms-length relationship with their employees, including executives. Their concerns tend to be more (but not entirely) with results and not values, attitudes, life styles, and means (as long as they are ethical and legal). To overstate, they deal with employees more as adults than offspring. They substitute rank in the hierarchy and its assumed higher wisdom for paternal attitudes. Both are authoritarian, and very few firms are not. In fact all institutions (like churches, the military, government, etc.) are authoritarian in many ways. The distinction here is the underlying philosophy: the paternalistic firm feels responsible for its employees as a father or mother feels toward family members; the non-paternalistic firm enters into adult but texturally different relationships with its employees and conducts its affairs on the basis of a doctrine of fairness. Its relationships are more economic than familial.

There are, of course, many companies with even lower-order concerns about their employees. They tend to view their employees as any other kind of resource (capital, material, etc.) to be deployed, utilized, and manipulated as needed. The fact that employees are human beings with feelings, aspirations, motivations, and talents is largely ignored. This kind of relationship with employees is totally economic.

The importance of what we have tried to sketch briefly and superficially is that firms with outstanding executive manpower systems have the characteristics of the first two discussed above. They vary in the amount of paternalism exhibited, but they do not go the "economic relationship" route. Some are paternalistic and some are just "enlightened authoritarian," and both approaches are viable. What seems to make a crucial difference is the internal consistency with which all aspects and elements of the system are attuned to the basic philosophy. In other words, the leaders are not benevolent in compensation and benefits, barbaric in placement practices, and wishy-washy on standards. The good

ones have grown with or designed in an integrity to their total system—a commitment to an underlying belief in the way it wants to treat employees.

Again, the lesson is that the cultural differences that grow out of product line diversity, personalities of a series of chief executives, and basic institutional beliefs, must be woven into a consistent pattern. Firms that are concerned and trying but have less than fully satisfactory executive manpower systems may be foundering on the issue of internal integrity, fidelity, and credibility of their system elements and approaches. They have not decided what basic relationship with employees makes best sense for them.

3. EXECUTIVE STEREOTYPES

One large variable detectable among leading executive manpower systems is the extent to which the systems are tuned to produce a similar product. Some systems are designed to produce a stream of top executives with a well-defined set of experiences, disciplines, and attitudes. Other no less rigorous systems, are more eclectic in nature and more tolerant of the very different kinds of people who succeed in the system. There tends to be a correlation between the diversity of the product/market/production of a firm and its eclecticism. That is, the more diverse the firm's products and markets, the more it seems to want, need, and tolerate growth of executives with widely varying backgrounds, view points, and values.

But this correlation does not totally explain the differences observed. It would seem logical that the needs of the company would dictate the degree of monolithic or stereotypical growth and product the system should produce, or the degree to which widely varying executive types are desirable. What seems to occur in leading firms is an interaction between its needs and its "personality" in producing specifications for its executive manpower system.

Regardless of causation, the important point is that the firm that produces a more tuned, monolithic product is the most efficient as long as the basic thrust of the company remains constant or is only gradually changing. It would seem to be in greater danger than an institution cultivating and producing a more heterogeneous stream of executives.

4. USE OF EVALUATIVE DATA

Another observable company-to-company difference is the amount and kind of personnel data utilized in the development planning, candidate screening, and selection decisions. At the sparse end of the range, the data used are restricted to one page of personal data, work history, and educational background. This is augmented with some

form of capsule rating by management of the individual's performance on the current job as well as his potential for promotion.

In contrast, the data some companies collect and utilize are much richer. They may include evaluative reports based on personnel testing and interviews prepared by trained and experienced psychologists; detailed performance appraisals prepared by managers; reference checks of former associates, subordinates, and managers by the staff (see Annex D); extensive inputs from the executive himself concerning his interests; and his views of his strengths and development needs.

It can be argued that the richer the data in kind, amount and source, and the less total reliance placed on "halo" ratings by any one person, the better will be the decisions. And indeed, those companies with diversity of product, a basically decentralized decision-making philosophy, and a heterogeneous flow of executives, tend to use more data. In systems where the firm's flow of executives, products and services is more tightly bunched and centrally directed, the more management seems to depend on personal, first-hand knowledge of its executives.

The amount, kind, and source of data utilized in smoothly functioning, leading executive manpower systems stands out as a highly variable characteristic.

Supporting Practices

So far in this survey report, the authors have attempted to sketch the nature of the systems of the leading executive manpower programs, and their important common and distinguishing characteristics. A second-order set of considerations have been "shook out" in the process of identifying these basic issues, some of which are captured below. Their categorization as secondary has less to do with their universality than with their inherent place in the hierarchy of philosophy, principle, practice, or technique. Other organizers of the material might argue, with merit, that some of what follows is as important as what preceded.

1. A MOTIVATIONAL CLIMATE

One of the most difficult tasks a company faces is developing and maintaining a climate which fosters healthy employee motivation. Such a climate is easier to describe than achieve. Some of its features are:

- Company needs are tempered by consideration of individuals' needs.
- In the pursuit of company goals, there is minimal personal, political "gamesmanship".

- Standards of performance are uniformly high across the company.
- Accomplishment, not survival, is the dominant motivational theme.
- Prudent risk taking is encouraged, and failure, if it occurs, is not lethally punished.
- Failure in a given situation is not viewed as absolute, complete, or final to a career. It is distinguished from incompetence and dealt with differently.
- Fear of failure is self (not company) imposed and manifests itself in a strong achievement drive.
- When mistakes are made, attempts are made to learn from them not to search for the guilty.

All leading companies give verbal recognition to the importance of having a motivational climate. They vary widely in what they do to foster it, and indeed, in whether they give it conscious, overt, and direct attention. Some good climates seem to spring from certain key managers' personal philosophy and values; others just exist as if they have always been part of the company's culture. Some firms make periodic assessments of their climate and tune their practices and processes in response to negative findings. This technique is a good starting point for companies who are concerned about their climate or who want to keep a finger on that particular pulse.

It may be interesting to note that those companies with the kinds of executive manpower systems described in this paper do not have unions of professional or managerial personnel. It is probable that such systems would have to be significantly modified if run for or by unionized employees.

2. MOBILITY AND "SUCCESS" MODELS

In one form or another, leading companies build models of historical executive mobility. These past patterns are blended with forecasts of company growth in an attempt to foresee needs. Additionally, environmental data are introduced in an effort to be predictive about the qualities that future executives will have to possess to be successful. Thus both quantitative and qualitative predictions exist and are used to shape today's system processes.

The sophistication with which these forecasts are made and the elaborateness of the modeling techniques vary considerably. Computers may or may not be used; the whole professional work force may be modeled or just the executive population; and data tracked may be merely numbers of people, or they may include age, functional discipline, and age at appointment to a given layer in the hierarchy. Those models tend to yield answers to the following kinds of questions:

- What is the average age at appointment of executives in each organizational layer or category of positions?
- Where have these executives come from? With what backgrounds?
- How many executives leave the company? When? Why?
- Of those not leaving the work force, where do they go? How frequently do they return?
- What is the appointment rate at each layer: initial and transfers?
- How many potential executives have to be introduced into the company stream (and where? when?) to produce the needed flow at all layers? What choice range is desired? What provision for failure to achieve the predicted layer?
- How many executives have to be in the running at what ages in what layers to produce a chief executive officer?
- What has been learned from appointments of executives who in the recent past have not succeeded to live up to expectations? Changes warranted in the selection process? Changes warranted in development experiences?
- How will foreseen events or reasonable assumptions about the future affect the executive personnel dynamics in the company?

While space and scope preclude descriptions of the more elaborate models some companies utilize, it might be clarifying to give a few examples of the more prosaic variety to show their utility. A first kind of model is merely a set of criteria about what it takes to be successful on a given class of executive positions—say “General Manager” or “Chairman/President/Vice Chairmen”. These criteria include the abilities, knowledge, characteristics, and experience believed to be crucial to success in a given class of positions. They are produced by top management through debate, discussion, reiteration or refinement and represent their collective observations, insights, experiences, hunches, etc. Their value and purposes include having a model or “profile” against which to:

- identify and screen potential candidates;
- build development plans with individual aspirants;
- counsel potential candidates on the strength, realism and direction of their aspirations;
- build specific executive development courses; and
- assess the quantity and quality of flow in the executive pipeline.

These criteria do *not* represent a model against which to make selections to specific executive posts. In a sense, they are the “given” which all executive

candidates should possess, and thus would present little discriminatory value in a given selection situation. Selection decisions should be made in a different framework.

Another very simple model is one of desired age balance at a given layer in the executive or managerial population. By various analytical processes and informed judgments, it is possible to specify the age distribution needed. Such a model might look like this, for instance.

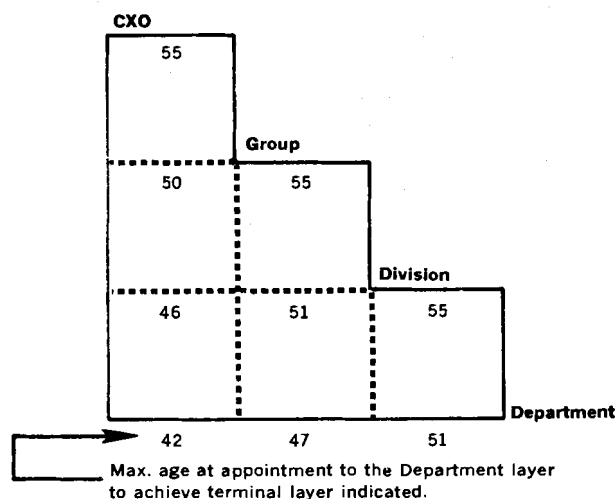
CHART III

Age: → 42 and ▼	43	54	55 and ▲
Percent of Population →	25%	60%	15%

If this distribution is the “ideal” for a given layer in a given company, then it is easy to check the actual distribution against it, and to take corrective action if necessary. The company may find it has to keep “the heat on” to get appointments at the younger ages in order to prevent a shift to the right in the model above. Such a shift might endanger continuity of management by setting up the possibility of too many retirements all at once.

A third and only slightly more complicated model might be built around Chief Executive Officer (CXO) succession planning. The model would allow periodic assessments of whether or not enough individuals with the apparent talents were still “in the running” and had enough time left to qualify for the top executive post. Such a model might look like this.

CHART IV



What this model says is that unless an individual is appointed as a department general manager at age 42 or younger, he will not have enough time to serve the desired tenures in intermediate positions

and still be 55 or less when ready for consideration for CXO. In this model it was decided that the ideal CXO candidate would serve four years as a department general manager, four years as a division vice president and five years as a group executive. Notice, however, that if the individual's terminal layer turned out to be group, he could be age 47 at appointment and still have time for requisite tenure and intermediate experience. And for division, his age at department appointment could be 51. If age 55 gives more time for tenure than is required or desired, all ages can be adjusted. And of course merely being "young enough" does not assure anyone of getting there. Conversely, being too old can preclude realistic aspiration for certain positions.

By adding a factor of attrition and choice to the above model, it is possible to analyze how many executives must be at each layer at what ages to produce—let's say—a CXO in a given year. For example, it might be decided—on the basis of historical evidence—that the company needed to input five general managers to yield a choice from among three to division. That is, history tells the company that four years later two executives—for a variety of reasons—will no longer be in the running for division. The remaining three offer the desired factor of choice.

Without belaboring the arithmetic, it is possible to see the utility of such a model in determining whether the flow of potential CXO candidates is adequate. And if the numbers were added up they might represent an input to the second model shown, at the lower end of the age spectrum. That is, 25 percent or some fraction thereof, might represent the minimum input necessary to maintain a flow upward of CXO candidates.

The importance of having mobility and "success" models like these is obvious. It takes time to develop executives and thus the system must be future-focused, however imperfectly or simplistically and however crude the tools.

3. ROLE OF EDUCATION

All leading companies invest rather heavily in formal education to supplement on-the-job development. Early in their careers potential executives attend company and external workshops, seminars, and courses to gain and hold the knowledge and skills required in their specialties. Depending on the nature of the executive's job, this may be a life-long series of educational experiences in a specialty (e.g., law, finance, or engineering). The typical executive probably also attends one or more courses on managing per se, or some aspect or multiple aspects of it (e.g., budgeting, human relations, or cost control.)

One of the major hurdles or cross-roads that ex-

ecutives may face is that of becoming a general manager. The first 10–20 years of a career is quite typically spent in functional (and half of it managerial) work such as marketing or production. Then they may get the chance to be the total business manager, the generalist managing the functional managers. Suddenly the career-to-date depth of specialized knowledge is almost a liability and the new premium is on knowledge of all the functions and on how to trade-off among them. This is a difficult transition to make. The leading graduate schools of business or management offer courses designed specifically to help functional managers over the hurdle to generalist. Some companies even have their own versions of these advanced management programs, but also send some executives to the universities. The principal trade-offs on which type of course to attend are:

- *University Advanced Management Program:* participants are drawn from a broader cross-section of business, industry, and commerce, as well as from the public sector, foreign countries, and non-profit private agencies. Since it is designed so that participants learn from one another, the university program is richer in variety.
- *Company Advanced Management Program:* The focus is tighter on topics of specific value to the company and to the participating executives. University professors from the business schools often comprise the guest faculty, so the quality of instruction and introduction of outside points of view are about equal in company and university programs.

A second cross-road which some higher level executives face is that of moving from business general manager—or even general manager of a family of businesses—to that of "institutional" executive. That is, he achieves a position high in the line hierarchy or in the corporate staff requiring a much broader, more external focus and perspective. His concern shifts from getting around policies to setting them; from "beating the system" to establishing it; from parochial to global matters; and from relatively short range to five and ten year horizons. Again, this transition is a difficult one to make and there is some evidence that about the same proportion of employees fail to make it fully as fail to make the successful transition to generalist earlier.

But here there is far less educational assistance available. There are internal and external seminars on various aspects of institutional leadership (e.g., corporate financing, government relations, etc.) but there is no institutional equivalent to the advanced management program which integrates and synthesizes the job of general management. And the fact that it does not exist may realistically reflect

the view of many that executives at this level are too busy to leave their jobs for the eight to ten weeks such a program would take.

There is agreement among company and university educators on many issues relating to executive education. A few may be summarized as follows:

- Off-the-job executive educational experiences should be spaced throughout a career.
- The timing of such interventions is optimally after the executive has had short exposure to a new position, rather than before he attains it. For instance: an advanced management program for a *new* rather than aspiring general manager is preferable.
- A company should offer very brief (one to two day) survey courses to its top executives in the subject matter which lower-level executives are exposed to in company or university courses. This helps to set a supportive favorable environment for the executives returning from courses, a climate in which they are more likely to try out new ideas and approaches.
- The prime value in off-the-job educational experiences is learning how to learn from on-the-job experience, that is, learning how to apply now and in the future that which has already been learned. This adapting of past experiences to new situations requires constant reintegration by the executive and it is this reintegrative process which executive programs in part provide.
- Action oriented people (e.g., executives) find it difficult to move from specific problem solving to the theoretical underpinning for doing so. Courses can help the executive learn the general approach.
- Executives must not be "sent" to courses. They must supply the motivation to attend. The firm should set a climate which encourages attendance.

4. ANNUAL MANPOWER REVIEWS

The one commonly-practiced technique across surveyed companies was some form of annual review of executive development progress and plans. This single technique is important because it accomplishes so many purposes. It exhibits top level commitment; provides data for recognition and reward to those doing a good job in the manpower arena (and the withholding of same from those who are not); forces development planning and action; summarizes progress in the past year; provides inputs to company inventories of personnel; and allows for discussion and agreement on opportunities and problems. It can stand alone or may be combined with compensation and organization plans.

This comprehensive review can start anywhere in the hierarchy and build up, layer-by-layer, to the very top. Some companies' chief executive officers, after reviewing the manpower plans and progress of their subordinates, summarize the total in sessions with their boards of directors. A simplified version of a typical review process follows:

- Individuals up-date their work histories and add current interests, desires, aspirations on development needs, and future career progress.
- Managers discuss these with subordinates and summarize plans for each individual for next 12-18 months.
- Manager sits down with his manager (often with a member of the executive manpower staff present) and they hold a person-by-person review. Typically, these discussions run two to three hours. They cover what was done last year with what results, and agreement is reached on actions to be taken, opportunities to be scouted, and situations needing scrutiny.
- The process continues until coverage at the starting layer is complete, and then it is repeated at the next higher echelon.
- Throughout the process, data are drawn off for company inventories, placement activities, compensation summaries, course attendance, and a variety of analyses.

If this paper contained a compendium of applicable techniques, the annual manpower review would be at the top.

5. CROWN PRINCES

Organizations, particularly those without extensive executive manpower systems, sometimes express concern about singling out individuals as having high potential for future advancement. They point out that the existence of these "crown princes" severely demotivates others, that those so identified often fail to live up to their promise or, worse, attain high positions just because they were identified, not because of merit, in some managerial, self-fulfilling prophesy.

Leading companies have those same concerns, but they also rigorously and continuously try to identify high potential people. The unhealthy connotations of "crown princes" are mitigated by:

- Not telling employees who have been identified as "high potential";
- Basing identifications on performance as demonstrated in a series of assignments;
- Periodically reviewing those identified to determine whether or not their accomplishments continue to justify their identification;

- Continuously scanning the total population for those who warrant new identification.

Somewhere around 40 percent are removed from the list each year at any given layer in the hierarchy. Some are promoted off and some just fall off but the list is dynamic. The primary reason for having individuals so identified is that development opportunities and resources are finite not infinite. These should be "cashed" on those who have demonstrated through performance that they and the company are most likely to profit from the investment. Any other system of selection for special assignments, jobs, and courses would have truly demoralizing impact and would result in poor yields on the investment.

6. CONTROL OF SELECTION

In leading companies, the selection process is a controlled one. The hiring manager is not completely free to appoint whomever he pleases. Instead, he is placed under a set of regimens and routines which are probably about as stringent as in any decision-making processes he encounters. The reasons are obvious:

- Advancement is a powerful individual motivation. Appointments then carry special motivational and productivity consequences.
- Company results are at stake. The firm's performance hinges on the sum of the appointment decisions made in an organization.
- This is an opportunity to give special consideration to minority and female candidates—to make a step toward solving the upward mobility problem facing most companies.
- Development of future management, since it occurs primarily through work assignments, is "on the line" and there is the need to assure that continuity and succession considerations get proper weight.

The discipline invoked when an executive opening occurs varies by company and even within a given company depending on the kind of position. But a generalized case brings out a few of the practices which make the process work and which adequately describe it.

Even before a position opens up, some consideration has been given to how it might be filled. During the annual manpower review discussions took place on who might be candidates. But unless it was known that the incumbent would be moving, the discussion of "back-ups" at review time was probably academic. Besides, unless the position actually opened up soon after a review, the back-ups, however realistic the discussion was at the time, may not be the appropriate ones any longer. The job and what it requires could have changed substantially in

the interim. However, there may be a predetermined, planned move that will fill the opening and all that is required is to check to assure the signals are still appropriate. If so, the job is filled without much ado.

This is not the usual case. More often, the hiring manager is required to request a slate of some central source such as the executive manpower staff. The manpower planner assigned will confer with him to identify what the new incumbent will have to accomplish. What are the crucial tasks which must be performed in the next two-three years? What achievements are absolute "musts" for the business? Similarly, what things not done would be a disaster? These usually boil down to four or five really significant goals. They are commonly called "job requirements".

Job requirements, as opposed to the "generic criteria" described earlier are specific, timely, and task-oriented. And the manpower planner or the hiring manager usually seeks higher-level agreement that they are indeed the "critical makes and breaks" for the job in the immediate years ahead.

Next, some inferences are drawn as to the type of individual who might successfully achieve the job requirements. What characteristics, talents, and experiences seem logical and applicable to these tasks? In other words, this is a step in which the task-orientation of the job requirements is translated into human-oriented terms and language so as to provide a framework for search and decision.

Suppose for instance, one of the agreed on job requirements in a given general manager opening was the need to drastically reduce product/model proliferation that had become extremely unprofitable. One might infer that candidates needed to possess demonstrated resoluteness in the face of upward, internal pressure. Trimming those product lines won't be popular. Candidates should also have managed in other than pure "growth" situations, since this requirement calls for experience in opposing cycles. It might be that knowledge of the markets and distribution would be crucial so that market share could be protected.

For each job requirement, a few important inferences should be drawn which add up to the picture of the "ideal" candidate. These are the selection criteria—the framework in which candidate qualifications will be assessed. Now a candidate search can be undertaken. All appropriate sources need to be considered and tapped. The hiring manager may have names to suggest—particularly internal ones. His manager may know of others. The manpower planner can contribute some, especially by circulating the job requirements and selection criteria to his counterparts in other components of the company.

A preliminary slate is thus produced. Next all the available data on the candidates are reviewed and the list screened or put in rank order. The individual who appears to possess most of the specifications to the greatest degree is highest. This preliminary slate is sent to the hiring manager or his manager for approval. Here is where assurance is obtained that all appropriate candidates are included and that all relevant considerations are known to the selector.

Several layers of management above the hiring manager may be contacted, and in some cases the selection will be dictated or a preference indicated. In others, not rare, the slate will be narrowed and refined, showing higher management's preferences. But now the pertinent data on surviving candidates is reviewed with the hiring manager and candidate interviews proceed. Ultimately a candidate is selected and accepts.

It is this process discipline that allows jobs themselves to be utilized for development purposes and by which both candidate performance and future potential are given weight in the selection decision. Without this control, executive manpower systems would be impotent.

7. GOAL SETTING, ACHIEVEMENT, AND REWARDS

So much has been written on the subject that it hardly needs mentioning that all companies have some formal process of work planning and measurement. It may be called "management by objectives" or it may have no label, but periodically (commonly annually) every executive sits down with his manager to set specific goals to be accomplished in the years ahead. This negotiation of targets, when done well, allows the most knowledgeable individuals to get very specific about what directions and progress will be made. It permits higher management to influence and set the course it wants run, to specify the results it wants attained, and to provide the standards it feels are adequately high.

The component executive now has agreed on accomplishment targets. As time unfolds, progress against these goals is reviewed; some goals are modified, some are deleted, and some are added in light of new information and intervening events. But each year attainment of the agreed on/modified goals forms at least a significant basis for compensation—salary and perhaps bonus. And of course it is this continuing, year-by-year record of achievement that attracts attention to the executive who will be considered for promotion.

The company-by-company variation of this approach is more in form than substance.

8. CAREER "END GAMES"

Increasing attention is being paid to alternative ways to finish off industrial careers and to cope with the varying needs, interests, health, and abilities of older executives. Large companies have mandatory retirement policies (usually at 65) and generous pension plans. What is done to prepare executives for such retirement and what their options are thereafter is beyond the scope of this paper.

However, it is significant that companies have increased their attention to the special group of executives over 50. Of course most continue to work productively and be promoted in the normal hierarchy. But some whose families have grown and left home, whose career aspirations no longer appear realistic, whose abilities may not be increasing or may be slightly diminished, and whose interests and needs have changed pose new problems and present new opportunities to the individuals and the company.

Some of the "system" provisions and practices to cope with these are:

- Optional early retirement without large financial penalty.
- Rotation laterally to preserve interest and prevent stagnation.
- Transfer to corporate staff positions, perhaps to pursue projects of interest to the individual and of value to the company, and which utilize the vast experience and knowledge of the individual.
- Assignment to company work in developing countries.
- Assignment to an in-house, management consulting component where their past experience is available throughout the whole company.
- Assistance in developing new skills and experience for post-retirement vocations.
- Assistance in locating positions for whole new careers outside the company.

Emerging Considerations

It is appropriate to wind up this portion of this report with a mention of those practices or concepts which seem "just around the corner" in executive manpower systems. Perhaps more accurately, what follows are a few of the issues which the authors felt as a result of their experience and the survey research are emerging as concerns of the next generation with which company systems will have to deal. There is far less agreement on, or uniform awareness of, these issues than what has preceded.

1. THE EVOLVING EXECUTIVE

A great deal has been written on the subject of the changing attitudes, values, goals, and life styles of the younger generation. Their entry into the work force starting a decade ago has caused most companies to reexamine and modify some of their long-standing policies and practices. Occasionally a company's unwillingness to do so or employees' frustrations with the slow pace and the meagerness of changes, have caused headline-making revolts.

Some believe this all has been pretty tame compared with what will come when this generation hits the executive ranks. One can speculate that historical, cultural, and traditional mores which are the "givens" in many companies, will be seriously challenged by this new generation of executives. If so, many of the practices described here and some that were not will undergo dramatic change. Executive manpower systems a decade from now may not even resemble the ones portrayed here.

There are other theories of the case, however. One states that the generation which has so noisily been joining the corporate world will be assimilated. Their views will be changed, conditioned, and shaped by the more senior members of companies and by the logic of the business equation. The new work force will more closely resemble the old after ten or fifteen years.

Still a third theory holds that the younger generation is not monolithic and that many have values and attitudes right now which closely resemble the more senior executives in the businesses they have joined. These more conservative college graduates (for the most part) were the ones attracted to and recruited by companies over the last decade. Thus there will be no perceptible attitudinal shift or forcing function as they move up in the hierarchy.

The authors feel all three theories have validity and that emerging executives will not all be "hell bent" on immediately changing the corporate value structure as soon as they have power enough to influence it. But there will be some who emerge with different attitudes and they will be numerous enough to command attention. If we are right, the prudent firm will start an examination now of its philosophy and practices with particular attention to the views of its younger thought leaders. In this way, as opportunities and needs to modify existing practices come along, they may be screened against a set of executive values that will likely exist at the time, not those of today or the past. This will avoid forced and precipitous change later, when the realities of the need to change are all too apparent.

2. INCREASING COMPLEXITY

No one who was an executive twenty years ago would admit that the job was simple then. But in the intervening years the task of the business general

manager, the job of the corporate staff executive, and the role of the very top executives in business have become so much more complex, that it's like calling the person who invented the abacus a computer designer. It may be true but there are several orders of difference in complexity. The executive today must consider—as did the executive twenty years ago—sound product designs, good quality, responsive service, production costs, and inventory levels. But today he must do so in an environment of tremendously increased complexity, the full impact of which has not been felt, and which only shows signs of accelerating. The executive's pursuit of profitable growth has been and will be complicated by the need to seek it within an envelope of simultaneous, balanced consideration of parameters which currently include:

- International trade, sourcing, markets, and competition.
- Material shortages, substitution limitations, or costs that have risen so fast that they can not be passed along to customers. Decisions by a foreign government can overnight double or triple material costs or turn off supply.
- Productivity loss through rapidly rising labor costs, machinery prices, and building costs; and through changes in employee work values and attitudes.
- Cash shortages, high interest rates, rapidly escalating liabilities in any court settlements, and falling equity.
- Government agency and department challenges to existence, acquisitions, divestitures, and "bigness".
- Occupational safety and health: more stringent and costly regulations concerning employee safety and health.
- Environmental protection: more stringent and costly regulations concerning the effects of plant and product pollution on the environment.
- Consumerism: more stringent and costly regulations and pressure on product safety, packaging, and advertising.
- Equal employment pressures to hire, train and upgrade minorities, females, the handicapped, and veterans.
- State and local statutes and regulations sometimes more restrictive than the federal, occasionally in conflict, but always there to be known, digested, and complied with.
- Time compression: the accelerated pace and increased sophistication of business transactions, communications, data availability, and technology.

The point is not that any of these pressures, laws, or regulations are bad nor that business should not have to cope with them. The point is merely that

cumulatively they make the task of the executive extremely complex. His "degrees of freedom"—directions he can move to cope with an issue—have shrunk. It is becoming increasingly difficult to satisfy simultaneously the demands of customers, employees, suppliers, government, society, and the share owners.

Conceptually strategies for coping with the problem include:

- *Reversing the trend in complexity.* This just is not realistic; in fact, the trend will probably accelerate.
- *Simplifying the job.* Historically, industry has done well with this strategy and complexity-sharing through use of specialized staff may have some further promise. However, there may be a cost limitation to this strategy.
- *Redesigning the organization.* This would involve rearranging assignments and restructuring toward more functional positions higher in the company so that the number who have to deal with the total complexity would be reduced. This would allow a company to deploy its limited number of superior executives to the more complex tasks. This has greater appeal and viability to smaller firms. For larger, diverse companies already irrevocably committed to a decentralized philosophy of management and to product/market structural organization, this strategy is of dubious applicability.
- *Increasing executive capabilities.* Undoubtedly this strategy must be pursued by leading concerns. Perhaps it will be pursued in parallel with other viable strategy options, but this has the most promise by far.

Again, if the authors are right, selection and development aspects of executive manpower systems will be modified to pay particular attention to the identification, growth, and selection of candidates who possess proven willingness and aptitude for learning new concepts, for broad-gauged thinking, for sorting out priorities, and for keeping many "balls in the air".

3. INDIVIDUAL ACCOUNTABILITY

The most controversial issue we see emerging for executive manpower systems is that of transferring more accountability for career decisions from "management" to the individual. Accountability means "answering for" and the individual cannot be accountable unless he has an appropriate voice in the career decisions which affect him. The concept here is to put the individual (not management) into the position of being accountable for the options selected, for the alternative paths unpursued,

for the satisfactions and dissatisfactions, and for the successes and failures throughout and at the end of his career.

There are undoubtedly some firms who go too far in giving individuals freedom to choose what they want to do on a given position, the directions they want to take a business, and the interests they wish to pursue. Higher management has to provide the guidance, central theme, general course, and its views on career options. Individuals cannot become unguided missiles careening around inside the corporate structure fueled only by self-interest. This is not the case in most companies.

As we have tried to sketch in earlier portions, what is *most* prevalent today is management's either benign or invidious preemption—to a large degree—of this decision-making responsibility. We have described the basically authoritarian approach and its three principal branches—paternal, adult, and economic. For the sake of the issue we are attempting to describe here it doesn't matter which form of preemption is involved, what philosophy stands behind it, or however kindly the motivations are that prompt it. The fact is that too few individuals in most companies can rightfully feel that they even *share* accountability for many of their career choices. We see the need for this to change.

It will change because it is morally right and enlightened managements will increasingly become aware of this. It will change as a part of the "human rights" trend in the nation today. Or it may change out of economic necessity, for those companies which do not adapt will encounter difficulty in recruiting the caliber of individual they want, poor productivity, and unreasonably high attrition. The previously mentioned attitude/value/life-goal shift that may have taken place puts more emphasis on self-destiny.

It is a viable extrapolation to conclude that authoritarianism must give way in some dimension. Thus the individual would become more accountable through the enabling philosophic shift of granting him more self-direction, more self-determination, and more participation in the decisions affecting him. A few key points will help to clarify the change required.

Management's role in this new mode can be summarized as "facilitating". Specifically, the manager would be responsible for:

- Designing good jobs—ones that challenge and stretch.
- Delegating cleanly and thoroughly; holding high standards for performance.
- Supporting an individual's independence by refusing to play "parent" or "superior" in advisory situations.
- Leveling with subordinates—telling them

about position openings that exist; giving them all the pertinent information about their performance and "image" that is known, and pointing them toward other sources of data.

- Providing time to discuss and attention to individuals' needs, in a career sense.
- Running a "fair" system in which bias, favoritism, and softness have no place.
- Providing a good, personal "model" for subordinates to emulate.

In parallel, the individual has certain responsibilities which, in a sense, enable him to become his own "career manager". He will be responsible for:

- Acquiring realistic data about the company, the manpower system, career alternatives, what it takes to succeed in various positions, and where and when there are openings of interest. In addition, the individual must develop and acquire accurate and realistic data about himself and his image as seen by others.
- Making a career plan: setting goals, strategy, and timing.
- Performing so that how well he does warrants and earns attention. In a sense this is making one's abilities obvious, not by campaigning but by performing and achieving.
- Making career investments. That is taking the initiative to seek data, making an effort to excel, sacrificing as and when needed to be competitive, and forsaking financial progress if necessary to gain needed experience.
- Making career interests known in appropriate ways and through legitimate channels.
- Making career decisions when they arise, not leaving it to luck or someone else.
- Reassessing, reappraising reality, and recycling the planning as needed.

Space and scope limit further exposition of this concept. We believe the system changes needed can best be summarized as follows:

- *Management's role:* from something done "to", "on" or "for" the individual, to "by" and "with" him.
- *Individual's role:* from "passive" and "responsive" to "active", "participating", and "initiating".
- *Executive manpower system:* from "closed" and "secretive" to "open" and "communicated".
- *Data about the individual:* from "management prepared" and "confidential" to "jointly prepared" and "reviewed".
- *Selection:* no change. It remains a management responsibility.
- *Career choices:* from ones made by management to ones made by the individual.
- *Retention strategy of the company:* from "eco-

nomical chains" to the individual choosing to stay because it is the "best game in town".

- *Consequences:* from the individual "abdicating" to "remaining in control", from "dependency" to "independence", from "tuned out" to "turned on", and from being motivated to leave to being motivated to stay.

What has been stated and implied in this final section is a tremendous change from what exists in most systems. Nevertheless the authors feel the logic for it is compelling and are confident it will come. Enlightened executive leaders will force it through as they have all worthwhile executive manpower system changes in the past.

OVERSEAS ASSIGNMENT PRACTICES

A few years ago Servan-Schreiber's *Le Defi Americain (The American Challenge)* issued to Europeans a dramatic warning of impending economic takeover by supersophisticated, apparently integrated, American business. Whatever else may have been right or wrong in his predictions, his generalizations about American businesses contained an implication about a single American corporate stereotype which was inaccurate.

More knowledgeable observers recognize that U.S. companies have tended to develop their own unique "cultures" born of years of internal management succession and differentiated experimental approaches, especially in areas of management practice where there is little or no "science". Possibly this tendency to be different, and the determination to find optimum approaches within individual companies, has helped produce so much progress in American business enterprises in relatively new and complex areas of management. Noteworthy among these relatively new areas of challenge and differentiated approaches, has been organization, staffing and executive development practices related to the conduct of foreign business by U.S. multinational companies.

To become multinational requires the development of vastly more difficult communications systems, acquaintance with unfamiliar cultures and economic systems, and understanding and dealing with a multitude of nationalistic and human emotions and motivations made even more complex by disparities in economic and social progress in the various areas of the world within which single companies strive to do business.

There are two principal reasons why relatively small numbers (9%) of U.S. executives are overseas. The first is cost. U.S. expatriates, as we will see later, are given allowances, moving expenses, etc. that make it costly to transplant Americans. More

importantly, all companies recognize the value of having foreign nationals staff foreign operations, for cultural, political and motivational reasons. They have worked hard to acquire and train local citizens to take over such positions and their success reflects in the percentages shown.

However, while U.S. expatriates represent a relatively small proportion of the total executive populations of leading U.S. multinational companies, their importance and the attention paid to them is substantial. They are often the key leaders in foreign subsidiaries, provide crucial communications linkages between subsidiary and parent, conduct the training required to develop and promote local nationals and often are selected for such assignments because of their potential for future advancement at home after repatriation.

So, "overseas assignment practices" represents an area of business management which requires still further experimentation, experience, and knowledge. The following summary of this subject is a highly generalized, snapshot-in-time portrayal. The emphasis is on similarities; but the dissimilarities are many and receive some mention.

Background Data

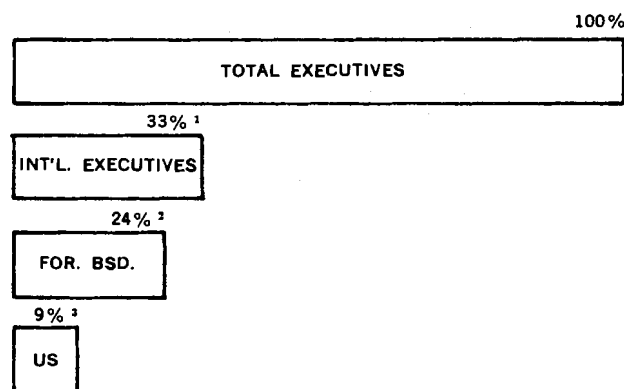
The leading multinational companies contributing information for this report have—as we indicated earlier—very different methods for defining their "executive" populations. The following data ignore these differing definitions and are unweighted as to size of the reporting companies or the size of the executive population however defined.

Importance to the Parent Companies

Even among leading U.S. multinational companies, the importance of overseas business to the parent companies varies. Involvements may include the supply of materials and components for the domestic firm, limited sales, subsidiary companies, export sales networks, and combinations of all of these. Consequently, there are variations among such companies in the importance they place on overseas assignments for their executives.

Generally, foreign service for their executives has been of less perceived importance to U.S. companies than domestic service at comparable levels. The historical exceptions have been those firms which originated abroad and those which have been truly multinational for many years. But the trend in the others surveyed is reversing, to the point where most intend to send their most able executives

CHART V



¹ The average percentage of "International Executives" to Total Executives in the firms surveyed. An "International Executive" is one whose primary concern is international business wherever he may happen to be based—U.S. or overseas. On the average just about one-third of the average firm's executive population is involved in international work.

² The average percentage of "Foreign Based" executives to the total. About one out of four executives, in the average firm surveyed, is based overseas. About three out of four "International Executives" are based overseas.

³ The average percentage of United States citizens based overseas to total executives. About one out of ten executives in the surveyed firms is a U.S. citizen based overseas. On the average they comprise about one-third of the executives based overseas, and about one-quarter of "International Executives". We have called these foreign based executives who are United States citizens "U.S. expatriates" in the remainder of this paper.

abroad, either for short or lengthy tenures, and some actually practice the concept.

Companies recognizing such service as highly important appear to fall into two categories:

1. Those mostly interested in maximum subsidiary business performance.
2. Those who are additionally desirous of developing better executives via foreign service experience.

These distinctions are more apparent in practice than in expressions of philosophy. "If we appear not to recognize it today, it will not be long before we actually use foreign service as a principal, and possibly mandatory, development ground for our future top executives at home", was the thrust of many comments received from the contributing companies.

Importance Perceived by Individuals

Individuals considering foreign executive assignments are highly influenced by their knowledge or perceptions of past and present attitudes and prac-

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tices of their own companies which affect foreign service personnel. They are then further influenced by their own personal career objectives (or by other more short-range interests) and by their views about foreign service as a vehicle for attaining those objectives. Candidates for such assignments fall into three groups:

1. Those who want foreign service as an executive career in itself. This is becoming an increasingly appealing career alternative for able people, but competition from local nationals is rapidly increasing.

2. Those looking for an interesting interlude for a wide variety of reasons. This is a strong attraction for a relatively limited group.

3. Those convinced that such service will be very helpful, or even crucial to their future career progress at home.

Perceptions within this third group are most strongly influenced by their own company's record in repatriating and promoting expatriate executives. The developmental value of such experience is increasingly recognized and touted: some companies legitimately cite the "more complete managerial scope" of subsidiary jobs at given levels, their more challenging and complex environments and conclude that better managers should emerge from such assignments.

But following through on such recognized value, via upward mobility, varies substantially among companies. Generally, those with the most highly structured and rigorously managed repatriation systems can and do attract high potential executives into foreign service; those with less clear or less consistent repatriation practices and records have trouble.

Upward striving executives keep pretty accurate mental score cards. They are also keen observers of the apparent "success" tracks and patterns. Thus if executives coming out of overseas assignments are promoted and if a relatively high percentage of top executives have had international experience, ambitious executives "get the message" quickly. Contrarily, if those returning from off-shore assignments spend months relocating in the domestic company and/or take assignments of lesser responsibility upon return, this too is perceived and entered on the "scorecards".

This is why leading companies pay a great deal of attention to the selection of those going overseas. If a truly high potential executive is selected, the chances are best that he will perform the complex overseas assignment with distinction, learn something of value to himself and the company in the process, and be easily repatriated into a position of more responsibility domestically. If individuals with less ability are selected for service abroad, the risks

increase substantially and future ability to attract top-notch executives to such assignments is impaired. The "success" average can't be perfect, but it needs to be high.

Leverage Exerted on Candidates

Almost all multinational companies are sensitive to the differing abilities of their personnel to accept foreign service assignments, and they reflect that sensitivity in their avoidance of leverage (i.e., excessive pressure and persuasion) on such individuals to accept. The key question, "Will my future career growth be impaired if I refuse", finds only slightly varying responses: most companies can give assurances to the contrary, when there are equivalent growth paths in their domestic structures. However, the trend toward greater recognition of the value of experience abroad as a highly desirable or necessary background for their highest-level corporate executive posts, may increase the pressures on certain high potential executive candidates to accept overseas posts. Refusals to accept such assignments will then certainly limit career progress of such individuals.

Leverage is used occasionally when there is great need for an individual's skills in a foreign subsidiary—more often with specialists than with executives. When it occurs, top executives at least a few levels higher than the candidates—and often the chief executive himself—will participate in the "persuasion" process. Generally, such persuasion emphasizes the company's great need, and will be accompanied by a special assurance or a strong implication of future recognition.

There was general expression of the view, however, that "our executives are expected to be very mobile", and that refusal to accept domestic transfer would not be accepted with the same degree of equanimity as refusal to go abroad.

A few companies also expect a foreign service executive to be ready to accept subsequent transfers while abroad, once he has become a member of the foreign service cadre.

Allowances and Incentives

Despite earlier comments regarding dissimilarities among multinational companies, there is remarkable similarity in the types and amounts of financial allowances used to make foreign assignments attractive to executives, and to compensate them fairly.

All companies interviewed provide transfer expense and allowances, school allowances, housing allowances, tax equalization, and expense reimbursement for home leaves. All provide some benefits to cover cost-of-living and location differentials. This is usually in the form of a 10-15 percent premium on base pay, and sometimes with a "hardship" factor of another 5-15 percent to compensate for the more costly or less desirable locations. In every case, the intent of such allowances is to avoid financial penalty, but not to create unusual financial gain for the individual. Despite this intent, there were some instances cited where living standards and retained income levels *did* rise, to the point of awkwardness in readjusting after repatriation to the U.S. Thus pay and allowances alone do not combine to provide a positive incentive to accept overseas assignments, but they are generous enough to remove this as an inhibitor to acceptance.

Non-monetary incentives are numerous. Sometimes they are cited to persuade a candidate, but often they are simply known to exist. In either case, they usually have greater effect than the monetary allowances in attracting executives to foreign service. For many, the most important incentive is the prospect of future career advancement after repatriation; and some know in advance what the next step will be, provided that their performance abroad is successful.

For others, the perceived challenges of overseas work are incentives in themselves: the tougher, more complex environments and the notion of a broader scope in foreign executive jobs. Domestically, few large corporations can offer the experience of direct interactions with boards of directors, government officials, treasury and banking personnel which are frequently packaged together in a single key position in a foreign subsidiary. Some executives undoubtedly believe that mastery of such broad responsibilities will increase their future career mobilities, even outside their parent companies.

Many are attracted by cultural advantages for self and family which some overseas locations provide. Of course, in other foreign locations, the reverse may be true. Such incentives will most likely attract the young or those whose families have grown up and dispersed. A limited few may even be attracted by the chance for "the good life" which usually can be afforded more easily abroad than at home; e.g., servants, foreign sightseeing, unusual vacations, etc. This was probably more of an incentive in the distant past, when slower travel and poor communications made the foreign service executive more isolated and in greater need of compensating advantages, and when there were greater disparities in relative standards of living. But these "cultural advantages" are still at least a strong "plus".

Repatriation

Of all the elements in the executive manpower practices of leading multinational companies, repatriation of U.S. expatriates appears to be of prime importance and is fairly consistently practiced. With few exceptions, firms will specify to an individual, in writing and in advance of a foreign assignment:

1. How long he will be abroad.
2. Who will "sponsor" his return.
3. The minimum level of the U.S. job which will be available when he returns.

Typically, such a commitment would read:

"You will be there for three to four years; your repatriation sponsor will be Joe Doakes; we will review your performance and status (quarterly, semi-annually, or annually); and if your performance continues to be good, you will return to a job at least equivalent to the one you now have." (Other details of the company's applicable compensation and expense allowance benefits might also be included.)

With companies who have a history of successful repatriation and upward progress of executives who have had overseas assignments, the guarantee of a position "at least equivalent to" is merely an insurance policy which the executive believes will never be cashed. He is convinced the post he will return to will be substantially better or will be soon thereafter. But this guarantee may be more significant in companies without the "success history". There it may be crucial, at least until they develop their own internal "success" reputations.

Crossover Frequency

"Crossovers" (i.e., the movement of executives back and forth between overseas and domestic assignments) vary greatly between companies in their purposes and frequency, and in the numbers of people involved. Some companies do no planning in this sphere, while others have certain executive jobs and individuals earmarked well in advance for crossover assignments and interchange. The specifics of such practices frequently depend on the earlier mentioned distinctions between companies: in their basic reasons for attaching importance to foreign assignments. Those mostly interested in getting maximum business performance from foreign subsidiaries will tend to send U.S. executives abroad only when there is a void in leadership or when the training load is substantial. They might restrict their "developmental crossovers" to foreign nationals who need a U.S. assignment for their own training or "cultural indoctrination". In addition companies desirous of developing better U.S.

executives via foreign service experience will include foreign service (at high levels) in the career plans for their most able and promising home-based executives. A few firms even employ periodic, repeated crossovers for specific individuals at various steps in their progress up the hierarchical ladder, especially those companies whose principal business is dependent on worldwide supply and on the performance of foreign subsidiaries.

The larger corporations recognize the importance of infusing into their subsidiaries familiarity with the parent company "culture", in order to enhance communication and interactions. This is often achieved by staffing practices, including bringing foreign nationals into the domestic structure for limited periods to become "culturally oriented", and/or by making sure that certain overseas executive jobs are staffed by experienced U.S. expatriates already steeped in the "company culture". Periodic training sessions (usually in the United States), and frequent multinational executive meetings and conclaves, etc. are employed.

Some even bring teams of foreign subsidiary executives and specialists to the parent company to complete project work for the subsidiary with the assistance of U.S. counterpart personnel.

In conclusion, overseas assignment practices have become well developed parts of the executive manpower systems of most U.S. multinational companies. The relatively small numbers of U.S. expatriate executives are increasingly becoming high potential executives very important to the company. The treatment they receive from the outset of foreign service to after their repatriation is very special and surprisingly consistent in certain elements from company to company such as monetary allowances and other perquisites. But the less tangible attraction which seems to be most critical and universal in its appeal to top-notch executives is the prospect of enhanced future careers via foreign assignments. Consequently, leading multinational companies now grant assurances or guarantees relating to repatriation to emphasize the importance of such assignments.

Annexes

Contributing Firms/Institutions

—Eastman Kodak Company, Inc.	(2)
—Exxon Corporation	(1) (2)
—First National City Bank	(2)
—Ford Motor Company	(2)
—General Electric Company	(1) (2)
—General Motors Corporation	(2)
—International Business Machines Corporation	(1) (2)
—International Telephone and Telegraph Corporation	(1) (2)
—Trans World Airlines, Inc.	(2)
—Union Carbide Corporation	(2)
—Columbia Graduate School of Business	(1) (3)
—Harvard Graduate School of Business	(1) (3)
—MIT Alfred P. Sloan School of Management	(1) (3)

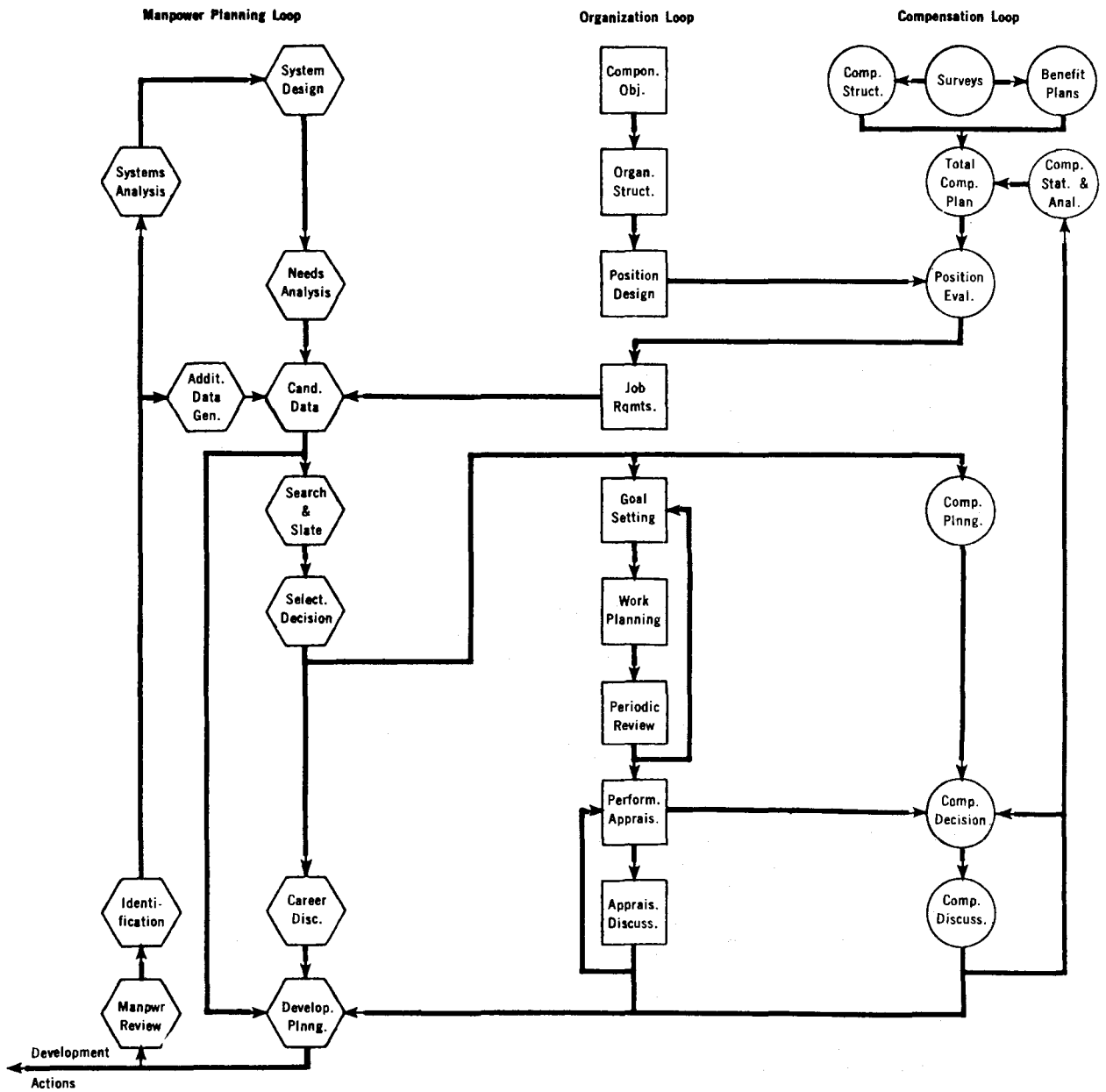
- (1) Interview covered executive manpower systems and theory
- (2) Interview covered overseas assignment practices
- (3) Interview covered executive educational programs

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ANNEX C

Managerial Manpower System Flowchart



Executive Manpower System Staff

In the leading companies surveyed there is a key staff person (or several in larger organizations) who helps line management operate the executive manpower system. Ignoring the differences of title, subtleties of charter and nuances of role, one may generalize about what this staff person does. We offer this in Annex form for those who have an interest in further elaboration on the brief discussion in the text.

For simplicity, call this staff person an executive manpower planner—EMP—and let us start with a list of generic and typical responsibilities.

1. Design and modify as required the executive manpower system to keep it tuned to the business needs, priorities, and opportunities.

2. Help component managers gain the information and skills necessary to make the system operate successfully.

3. Collect, analyze, and interpret data to aid the component's management in anticipating executive manpower needs and problems.

4. Help the component management identify potential executive talent.

5. Collect and generate sound evaluative data on high potential executive talent, maintaining an inventory of the component's key promotable personnel.

6. Counsel component managers on their own or subordinates' development and career plans, following up to assure implementation.

7. Understand executive openings and assure that job requirements are adequately described and agreed upon.

8. Perform candidate searches and assemble slates and evaluative data for consideration by the executive decision makers.

9. Help component executives prepare for and conduct the annual manpower reviews.

10. Establish compensation planning routines and guidelines; analyze plans and subsequent actions for consistency; and make recommendations to line executives on initial or corrective action.

11. Conduct organization studies as requested.

12. Perform special diagnostic studies, surveys, and interviews as required to sense the climate, and how the system is operating.

13. Integrate with other EMP's and manpower planners in line operations potential candidates for openings, system design compatibility, and state of the art.

The roles thus played by the EMP are partly chief placement officer, talent scout, management consultant, and diagnostician. The EMP has an assigned "beat" or organization in which to work. It may be the whole company or just part of it. For the manpower portions of the job, the EMP can be expected adequately to cover and represent a component having about 100 executive positions and incumbents, and to know well the 100 managers out of the total 500-600 immediately below that layer, who are the "best bets" to move up.

As we have said, companies vary significantly in the amount of data generated on potential candidates and used in planning and selection processes. In this generic description, we have chosen to include this as a responsibility of the EMP. One of his prime tasks is to generate an independent, third-party view of those seen by line management as having further potential.

During and as a planned part of the annual manpower review, highly promotable individuals (as seen by a given manager) are discussed. This is the starting point for an EMP to collect data on those thus identified but not known personally. The EMP would gather existing data (work history, performance appraisals, salary history, etc.) and try to augment them. In one company this involves a depth interview with the potential executive about his accomplishments, how he goes about managing and what his future interests are. A second and parallel interview is then conducted with his manager. These dual inputs are supplemented by shorter and more pointed inquiries of the potential executive's former managers, peers, and subordinates. In sum, these data allow the EMP to develop an independent "set" on the potential executive.

That "set" may differ from the potential executive's manager's set anywhere from a little to a lot. Where large differences start to become apparent, more data is sought and attempts made to reconcile the views. But the EMP is expected to know enough about a particular candidate to predict accurately his chances to succeed in a given future

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opening—to be predictive about his strengths and liabilities in a given situation. Since this kind of knowledge is laboriously acquired, an EMP can get to know only 35 or so executives in a year. Therefore, it would take three years to cover the normal, full “beat”.

The EMP—by spending so much time in the components which comprise his “beat” and with the executives who are, in a sense, his clients—begins to develop some valuable insights. He starts to acquire a sense of what each business or component looks and acts like—what its unique rhythms, processes, and mores are. He also begins to develop a sense of what it takes to succeed in those components—what the successful executive does, what styles seem to work, and what experiences produce what benefits. As these perspectives grow the EMP can really help management when openings and other opportunities to develop managers occur. He can quickly and accurately relate to the opportunity with good data about people, but importantly also with applicable and credible knowledge of the environment.

The system safeguards, the ethical considerations, and the means of continuous enrichment and up-dating, that are involved with these data are

beyond the boundaries of this paper. But it is these kinds of data that are used by the EMP in candidate searches, in slate preparation and discussion, in development planning recommendations, and in analyses of various kinds, for management. In systems which utilize these data, the EMP becomes an objective but informed source for line managers to tap and one with whom they can test their own perceptions.

It would be easy for an EMP to fall into a “king-maker” role. The “system” must make certain this does not happen. Line management must not abdicate its selection responsibilities and the EMP’s manager must assure that appropriate goals and measurements are used. For example, the EMP should not be held accountable if a person he favors is not selected, but rather should be held accountable for the quality of the evaluative data about him, for the predictive insights, and for the accuracy with which the job requirements reflect the future as it unfolds.

In systems where fewer data are used, the EMP is still a candidate and data source but is not expected to have such a strong, independent view. In these cases, the EMP is in the role of passing along what line managers have said and recorded.

Developing the Military Executive

David S. C. Chu and John P. White
April 1975

PREFACE

This Working Note was prepared for the Commission on the Organization of the Government for the Conduct of Foreign Policy. Among its other responsibilities, the Commission is concerned with the functioning of the Foreign Service personnel system, and with policies to develop senior Foreign Service officers. The Foreign Service system shares many of the characteristics of the military personnel structure: It, too, is "closed" (in the sense that senior officers are promoted from within rather than recruited from the outside), and its officers are expected to represent the national interest, often under difficult and trying conditions. By analyzing the policies that the military services have evolved to develop their executive corps, we have attempted to provide useful information to those responsible for the formulation of personnel policy for the Foreign Service.

ACKNOWLEDGMENTS

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ject leader. Responsibility for any errors of fact or interpretation remains entirely with the authors.

I. INTRODUCTION: STATEMENT OF THE PROBLEM

This paper discusses how the military services procure and manage their officer force, with special emphasis on policies for developing candidates for senior executive positions and managing senior executives. For the purpose of this paper, "middle" managers are defined to include officers in the grades 0-6 and 0-7, while "senior" executives include officers in grades 0-8 through 0-10. (The grade structure and the responsibilities of officers in each grade are described in the next section.) The discussion is aimed at readers who are not familiar with the military personnel system but are interested in its characteristics to obtain insights into the management of similar systems, such as the Foreign Service. The paper's emphasis is on description but with two important qualifications. First, particular aspects of the system are highlighted based on the authors' judgment of areas of most interest for other systems. Second, the authors have attempted to assess various strengths and weaknesses of the military system; for example, the significance of having large numbers of middle managers competing for a limited number of top jobs and the continuing problem of appropriate career incentives for both generalists and specialists. These evaluations are strictly those of the authors and are certainly subject to argument. They are intended to provide the reader with some understanding of the qualitative and subjective aspects of the system.

A special feature of the personnel system for military officers, like many public service personnel systems, is its closed construction: Senior officers are created strictly by promotion from within. Thus the

only way to provide talented candidates for future leadership is to set appropriate requirements for entry, to provide the new entrants with the proper experience and training, and—as they progress in the system—select from among them the candidates for senior responsibility. Section II describes the management system that the military services have built to accomplish these objectives: the sources of procurement for officers, the legal basis for managing officers, and the bureaucratic structures that have been created to actually perform the management tasks. Section III describes the approaches that this system has developed for solving three important problems: how to provide career progression, how to develop technical and management skills, and how to evaluate and reward officers. Section IV addresses a question of central concern: How are senior executives selected and managed? Section V describes the planning tools that the military services have developed to assist them in these tasks, and Section VI provides selected conclusions, with emphasis on comparing the system for managing military officers with that for managing the Foreign Service and on lessons from the military experience that may be helpful in designing future Foreign Service personnel policies.

II. THE MILITARY OFFICER MANAGEMENT SYSTEM

Structure of the Officer Force

Commissioned officers of the military services are divided into ten pay grades (Table 1).¹ Using the terminology common to the Army and the Air Force, these can be separated into three groups: junior officers, who serve as the leaders of small units (e.g., an Army company) and as staff officers; field grade officers, who command larger, independent units (e.g., an Army battalion, an Air Force wing, or a Navy ship) and serve both as staff members and as chiefs of staff elements; and general officers (flag officers in the Navy), who command major units (e.g., an Army division) and who direct large headquarters. This study is principally concerned with the management of field grade and general officers and with the policies to develop, select, and manage general officers.

¹There is actually an eleventh grade (General of the Army/Admiral of the Fleet) that was awarded to the senior leaders of American forces in World War II. Under current law, those holding this grade remain on active duty until death; the remaining incumbent is General of the Army Omar Bradley.

Officer Procurement Sources and Retention Patterns

The services operate a closed officer system, with little opportunity for lateral entry; senior officers are promoted from the lower ranked officers. Thus procurement concentrates on providing second lieutenants or ensigns. The three principal sources of officers are the military academies, whose graduates are commissioned as regular officers;² the college-oriented Reserve Officer Training Corps (ROTC) programs, some of whose graduates may be offered regular commissions, either immediately or after a probationary period; and the officer candidate programs, which represent “surge” capacity, mostly used during wartime (although a modest level of operation is usually maintained in peacetime).

The military academies are perhaps the best-known of these procurement sources; although they account for only a small share of junior officers commissioned in any year, they provide a significant share of the career officer corps, and especially of the services’ senior leadership. One of the reasons for the success of academy alumni is the high quality of the entering students. At West Point, for example, mean scores on the mathematics section of the college boards are just slightly below those of students entering Middlebury, Oberlin, and Stanford; and over 80 percent of entering West Point students rank in the top quarter of their graduating high school class.³

A brief description of West Point as an institution may help our understanding of the academies’ role in shaping career officers.⁴ There are perhaps three aspects of West Point that are most important in this regard. First, it provides a “rite of passage” into the officer corps—the so-called Beast Barracks, or summer that precedes the freshman year. This is characterized by substantial physical and mental stress.

A second important feature of West Point is its allegiance to the “Thayer system.” Sylvanus Thayer was superintendent of West Point from 1817 to 1833. He transformed a struggling institution into an academy of national reputation. He modeled West Point on the French technical insti-

²The tenure rights of regular officers are superior to those of other officers. This feature of the system is discussed in the next subsection.

³Joseph Ellis and Robert Moore, *School for Soldiers*, Oxford University Press, New York, 1974, pp. 99, 251.

⁴Ellis and Moore, *School for Soldiers* is one of the more balanced descriptions of the military academies to appear recently. We recognize that despite their similarities there are also significant differences among West Point, the Naval Academy at Annapolis, and the Air Force Academy. Nonetheless, the main features of West Point are also characteristic of the others.

TABLE 1.—THE COMMISSIONED OFFICER FORCE: STRENGTH AND PAY

Pay Grade	Army/Air Force Title	Navy Title	Regular Military Compensation ^a		Active Duty Strength ^b	
			Minimum	Maximum	Number	Percent of Total
<i>Junior Officers</i>						
0-1	Second Lieutenant	Ensign	\$10,327	\$12,093	41,576	14.1
0-2	First Lieutenant	Lieutenant Junior Grade	12,026	15,619	42,466	14.4
0-3	Captain	Lieutenant	13,735	20,436	99,013	33.6
<i>Field Grade Officers</i>						
0-4	Major	Lieutenant Commander	18,368	23,450	58,894	20.0
0-5	Lieutenant Colonel	Commander	20,892	27,803	35,984	12.2
0-6	Colonel	Captain	24,083	33,732	15,844	5.4
<i>General Officers</i>						
0-7	Brigadier General	Rear Admiral (Lower Half)		38,580 ^b	627	.2
0-8	Major General	Rear Admiral (Upper Half)		43,450 ^b	456	.2
0-9	Lieutenant General	Vice Admiral		43,450 ^b	141	.0
0-10	General	Admiral		43,450 ^b	39	.0

SOURCES: Office of the Assistant Secretary of Defense (Manpower and Reserve Affairs); *Air Force Times*, 30 October 1974, p. 21.

^aBased on pay rates effective 1 October 1974. Regular military compensation includes base pay, subsistence allowances, quarters allowances, and the tax advantage resulting from the tax-free status of subsistence and quarters allowance.

^bPresent law limits base pay for these grades to \$36,000 per year.

^cFourth quarter, FY1974.

tutes, especially the Ecole Polytechnique,⁵ emphasizing small class size and a required curriculum. Only recently has West Point adopted the pattern of substantial student electives common to most civilian colleges. Even now, however, West Point does not have undergraduate "majors" in quite the same sense that the term is used in civilian colleges: The core curriculum is heavily oriented toward mathematics, the sciences, and engineering.

A third feature of West Point is its use of military officers as instructors. Part of the motivation for this choice is to provide the cadets with role models. Most of these officers have only a master's degree, and West Point has been criticized for the low proportion of Ph.D.'s on the faculty, and because the faculty is less committed to academic attitudes than would be true of a civilian college. Although some officers do remain at West Point as permanent members of the faculty, many return to the mainstream of an Army career.

Very little of a West Point cadet's time is spent in studying purely military subjects (tactics, etc.), and this is likewise true of the ROTC cadet. In the case of the Army, both learn these specific skills after graduation, in the branch courses to be described in Section III. ROTC programs are located on college campuses and recruit from the undergraduate student body, including both men and women. Students may join when they enter college, or after the end of the sophomore year (in which case the cur-

riculum they follow may differ slightly). ROTC students follow a normal college program. A limited number of military courses are included as part of that program, however, for which they usually receive academic credit. Most of the courses are taught by military officers assigned to the campus as part of the ROTC detachment. Between the junior and senior years, the ROTC students spend six weeks in summer training.

Both the academy and ROTC programs produce officers with college degrees. This is not necessarily true of the third procurement source, the officer candidate programs. The educational requirements for entry into the officer candidate programs depend on the supply of volunteers; at the peak of the Vietnam war the Army required only a high school diploma for some candidates. In contrast, since 1963 the Air Force has required a college degree of all line officers before commissioning. The officer candidate programs offer one route for enlisted personnel to join the commissioned officer corps; another is the direct commission (including, in the case of the Navy, the limited duty officer program). Few graduates of the officer candidate programs, however, receive regular commissions.⁶

In view of the sources of procurement for military officers, with most coming from ROTC programs, and with appointment to the academies based on competitive examinations, it is not surprising that

⁵In Thayer's era, most graduates of West Point were destined for service in the Corps of Engineers. It was not until the turn of the century that the majority of West Point graduates were commissioned in the nontechnical branches.

⁶The significant historical exception is the Air Force's World War II aviation cadet program, from which has come much of its senior officer corps. This explains the Air Force's lower proportion of college graduates among senior officers: Many left college to join the service during World War II.

the officer corps is predominantly middle class in its social origins.⁷ This is true not only of the officer corps as a whole, but also of the middle and senior executives. A 1959 survey of officers in the grade of O-6 and above revealed that 20 percent were sons of business executives, 25 percent were sons of business owners (including farm owners with paid help), and 18 percent were sons of professionals. Only 9 percent had fathers who were themselves career military personnel.⁸

Each procurement source carries with it an active duty obligation, requiring the junior officer to remain in the service for a minimum number of years, usually between two and five.⁹ There is a significant loss of officers when this commitment expires; for the Air Force in 1970, 14 percent of the pilots and 21 percent of the nonpilots with three to six years of service left. Officers who stay beyond this first point are likely to remain for a career, drawn by the pension plan, which offers 50 percent of base pay per year for life upon completion of 20 years of service. Because the typical officer who completes 20 years of service is in his early 40s and able to start a second career, it is not surprising that 31 percent of Air Force pilots with 20 years of service retired in 1970, and 28 percent of its nonpilots with 20 years of service also left. Losses continue in the period just after 20 years of service: For example, 34 percent of Air Force pilots in the 20 to 23 year cohort left in 1970, and 39 percent of the nonpilots in that cohort retired.¹⁰ By 30 years of service, of course, most officers are required to retire under the provisions of Title 10, described below.

Legal Authority for Officer Management

The Officer Personnel Act of 1947 and the Officer Grade Limitation Act of 1954 (OGLA), both since amended, provide the basic statutory authority for management of the officer force. The provisions of these statutes are embodied in Title 10 of the U.S. Code, which governs the appointment, assignment, promotion, and separation of officers, and sets the restrictions on the number who can be on active duty at any one time. The complexities of

⁷George A. Kourvetaris and Betty A. Dobratz, "Social Recruitment and Political Orientations of the Officer Corps in a Comparative Perspective," *Pacific Sociological Review*, XVI, 2 April 1973, 228-54.

⁸W. Lloyd Warner et al., *The American Federal Executive*, Yale University Press, New Haven, 1963, p. 323.

⁹Because the Army and Air Force ROTC programs are producing more officers than are currently needed, some officers are being called to active duty for training only (which lasts less than 6 months) and are discharging their service obligation in the Reserve forces.

¹⁰Loss data furnished by the Office of the Deputy Chief of Staff for Personnel, Headquarters, United States Air Force.

Title 10 reflect the historical evolution of the officer management system. What follows is a condensed description of the provisions of the law.

Regular and reserve appointments are authorized. The law sets limits on the number of officers with regular commissions that each service can have on active duty.¹¹ However, in any year the *total* officer active duty strength (regular plus reserve) is determined by the budget process. Regular officers enjoy more secure tenure than do reserve officers. They can remain on active duty after failing promotion to the next higher grade for a longer period of time than can reserve officers, and—until recently—they could not be separated from the service as part of a reduction in force. (However, they could be separated "for cause"—for example, as the result of a court-martial.)

An officer's regular or reserve grade is frequently referred to as his "permanent" grade. In addition, both regular and reserve officers may hold "temporary" appointments to a grade higher than their permanent grade, and many officers in fact are serving in such temporary grades.¹² The temporary grade determines the officer's pay, the insignia of rank he displays on his uniform, and his job responsibilities. The permanent grade determines his tenure—the number of years he may stay on active duty before mandatory retirement. Selection to both temporary and permanent grades is made by selection boards.

Although the law discusses in detail how the rank of one officer compares with that of another within the same grade, it limits officer assignments in only two ways. First, officers in certain specialized areas—notably the medical departments, the medical service corps, the nurse corps, the chaplain corps, the judge advocate general corps, and (in the Navy) the civil engineering and supply corps—are not allowed to exercise command, except within their own limited jurisdiction. Thus a physician cannot command an operational unit (although he can command a hospital). The second restriction relates to command of flying units. Until recently, command of Air Force flying units was limited to pilots; now, nonpilot flying officers may command such units, which is similar to the rules governing the command of Navy and Marine Corps aviation units.

The law created an "up or out" promotion system for regular officers. The system is designed to

¹¹Currently, these limits are 49,500 for the Army, 69,425 for the Air Force, 35,000 for the Navy, and 28,000 for the Marine Corps.

¹²For example, on 30 November 1974, some 54 percent of the Air Force's officers were serving in temporary grades higher than their permanent grades (*United States Air Force Management Summary*, Change 1, 1 February 1975, Secret—No Distribution to Foreign Nationals; data cited here are unclassified).

deal with the problem, repeatedly encountered in American history, of a military officer corps burdened by elderly personnel. At the start of the Civil War, for example, the junior Navy captain had 42 years of service, and the average Army captain was in his fifties. In the early 1900s and again in the 1930s the Navy was compelled to force excess senior officers from the service. And just before World War II, General Marshall, newly appointed as Chief of Staff of the Army, sought special authority to weed out the officer corps in order to prepare the Army for the coming conflict.¹³

We describe here the promotion system that applies to the Army and the Air Force; the Navy and Marine Corps systems operate in a somewhat different fashion, but the general effects are similar.¹⁴ For regular officers, failing promotion to the regular grade of 0-2, and twice failing promotion to the regular grades of 0-3 through 0-5, generally requires separation from the service. Consideration for promotion to the regular grade of 0-2 occurs at three years of service; consideration for promotion to regular 0-3, 0-4, and 0-5 initially occurs just before the 7th, 14th, and 21st years of service, respectively. The effect of these provisions is to guarantee a pension to an officer who is promoted to regular major, since he cannot then be forced from the system (except for cause) until he has completed the minimum of 20 years of service needed for retirement eligibility.¹⁵ In practice, almost all regular officers are able to meet this standard. Officers involuntarily separated before retirement eligibility are entitled to severance pay of up to \$15,000, provided they have served at least five years on active duty.

For reserve officers, by Army and Air Force policy, twice failing promotion to the next higher temporary grade, through the grade of 0-4, is cause for involuntary release from active duty.¹⁶ (The

¹³For a fuller account of the problems that the present system is designed to avoid see the testimony of General Leo Benade, then Deputy Assistant Secretary of Defense (Military Personnel Policy), in Subcommittee Number 4, Committee on Armed Services, House of Representatives, *Hearings on H.R. 12405, Defense Officer Personnel Management Act*, July 1974, Washington, D.C., 1975, pp. 196ff.

¹⁴The Navy and Marine Corps integrate their temporary and permanent promotion systems; officers are selected for permanent promotion from those already temporarily promoted, in order of seniority. Thus, failure of temporary promotion is equivalent to failure of permanent promotion. For promotion to 0-5, officers who fail of (temporary) promotion cannot be forced out until they have completed sufficient service to qualify for retirement.

¹⁵As noted earlier, military personnel can retire with 20 years of service and receive an annual pension equal to 50 percent of their base pay. This rises at the rate of 2½ percentage points for each year of service beyond 20, reaching a maximum of 75 percent of base pay at 30 years of service. Both enlisted and commission service count toward the computation of years of service for retirement.

officer may retain his reserve commission; and at certain times in the past, he was allowed to enlist in the service after discharge as an officer, complete the minimum number of years necessary to retire, and retire as an officer.) Because, by practice, temporary promotions occur somewhat earlier in a career than permanent promotions, the effect of this policy is to weed out poor reserve officers before regular officers would be forced from the service. Again, however, most officers are able to complete the 20 years of service needed to qualify for a retirement pension before they are forced out.

For more senior officers—those serving in the grades of 0-5 and higher—both promotion law and promotion policy operate somewhat differently, with the effect that these officers may be considered for promotion several times without forcing them from the service, should they fail of selection. Regular officers with the regular grade of 0-5 may continue on active duty until 28 years of service are completed (26 years in the Navy and the Marine Corps) at which point they must retire; regular officers with the regular grade of 0-6 or 0-7 are retired five years from their appointment or at the completion of 30 years of service, whichever is later. For 0-6 this is usually 30 years of service and for most 0-7s it varies between 30 and 33 years. These effective limits are achieved by service policy.

By law, officers in the regular grade of 0-8 are retired five years from the date of their appointment as regular 0-8s or at the completion of 35 years of service, whichever is later. Generally this means that the careers of even the most senior officers will not extend beyond 40 years of service.¹⁷ (0-8 is the highest regular grade.)¹⁸

To these promotion and tenure restrictions, OGLA added ceilings on the grade distribution of the active duty officer force. The ceilings are in terms of temporary grades and are a function of the total active duty officer strength authorized the services in the budget process each year. Table 2 presents the ceilings for an active duty officer strength

¹⁶In some periods, the Army and the Air Force have adopted a third category between "failed" and "selected" for promotion: "Selected for retention in grade." Officers so designated were not counted as having failed of promotion for the purposes of this policy. Target promotion rates are presented in Table 3.

¹⁷For a discussion of the exceptions to these rules, see Section IV.

¹⁸Thus all appointments to 0-9 and 0-10 are temporary. Before World War II, officers appointed to these higher grades often reverted to their (lower) permanent grade and remained on active duty after leaving the post that carried the higher grade. Since World War II, however, the usual practice has been to retire in the higher temporary grade rather than continue on active duty. The pre-World War II system parallels civilian practice more closely than does present policy, allowing senior executives to "step down" without retiring. Under present policy, the usual way to step down is to retire.

of 100,000 (for each service), which is approximately the current level of manning for the Army and the Air Force. (The Navy currently has somewhat under 70,000 officers on active duty.) The ceilings assigned in 1954 reflected strengths at that time; because the Air Force had a younger officer corps, it also had a more junior grade distribution—hence its lower ceilings under the OGLA. Since that time, the Air Force has repeatedly sought and received relief from the limits of the OGLA, and its current temporary limits are shown separately in Table 2. These ceilings represent real restrictions; the services are usually at or near the ceilings and invest considerable resources in managing officer promotion to conform to these limits.

In 1974 the Department of Defense proposed to Congress a new officer management system, for grades 0-6 and below to be called the Defense Officer Personnel Management System (DOPMS).¹⁹ The proposed system:

1. Creates a uniform set of policies for all the military services.
2. Provides new ceilings on the numbers of senior officers to replace the OGLA ceilings, especially for the Air Force.
3. Provides a common set of rules for promotion and separation of both regular and reserve officers.
4. Provides that the career force, consisting of officers with more than 11 years of service, will be regular officers, with only a few exceptions.

In addition, new promotion rules would be established, including:

1. Unification of temporary and permanent promotion.
2. Separation or retirement of officers in the grade 0-3 and below who twice fail of selection to the next higher grade.
3. Use of special selection boards to determine if officers should be retained who twice fail of selection to 0-5 and 0-6 or who have served in the grade of 0-6 for more than four years.

¹⁹H.R. 12405.

4. Fixing of minimum times in grade before an officer can be considered for promotion—i.e., the establishment of promotion phase points by year of service for each grade.

The bill was not passed in the 93rd Congress, and the Defense Department will probably resubmit it to the 94th Congress.

Principal Operating Characteristics of the Current System

For personnel management, the Army, Navy and Air Force divide their officers into a series of formal and informal groups. In the case of the Army, line officers²⁰ are organized into 13 branches, corresponding to functional specialties: Adjutant General (personnel and related matters), Air Defense Artillery, Armor, Engineer, Field Artillery, Finance, Infantry, Military Intelligence, Military Police, Signal, Ordnance, Quartermaster, and Transportation.²¹ Officers through the grade of 0-6 are each assigned to a branch. In some periods, the Army has required junior regular officers to serve a minimum number of years (usually three) in a combat branch before transferring to a support specialty. Although line general officers do not belong to a branch, those whose experience is confined to the support areas are not normally assigned to command a combat unit. In contrast, general officers whose experience is mostly in the combat arms are frequently assigned to command support elements. There are separate elements within the Army's Military Personnel Center to handle assignments for each branch. (General officers are managed separately.) On 1 July 1975, however, the Army proposes to change this structure somewhat to conform to its new Officer Personnel Manage-

²⁰Those legally entitled to exercise command.

²¹Nonline specialists are organized into a series of corps: Medical Corps, Dental Corps, Medical Specialist Corps, Medical Service Corps, Nurse Corps, Chaplain's Corps, and Judge Advocate General's Corps (the last for lawyers).

TABLE 2.—AUTHORIZED SENIOR GRADES PER 100,000 ACTIVE DUTY OFFICER STRENGTH

Service	0-4	0-5	0-6	0-7/10
Army ^a	17,060	12,265	5,002	495 ^d
Navy ^b	15,030	7,538	4,295	(262) ^c
Air Force ^a —basic law	18,530	8,620	4,440	380 ^d
Air Force ^a —temporary limits	—	12,276	5,136	—

SOURCE: Sections 3202, 5442, 8202, 8206, Title 10, U.S. Code.

^aExcludes medical and dental corps for grades 0-4 through 0-6.

^bLine officers only.

^c0-7/8 only.

^dIn addition, no more than one-half may be above the grade of 0-7.

ment System. In the new structure, field grade officers will be managed by grade, junior officers by branch.²²

In the case of the Navy, line officers are divided into unrestricted line and restricted line officers.²³ Unrestricted line officers are further subdivided into surface warfare officers, aviation officers, and subsurface warfare officers. Both surface warfare and subsurface warfare officers can specialize in nuclear power, in which case their assignments and careers are handled somewhat separately, reflecting Admiral Rickover's leadership of Navy nuclear matters. Restricted line officers are, by policy, not allowed to command; they are usually drawn from junior unrestricted line officers and specialize in such areas as engineering, aviation engineering, aviation maintenance, and the like. The Navy also has "limited duty" officers, who are enlisted specialists awarded junior officer commissions for their specialized knowledge and who are eligible for assignment only within the limits of specific occupational fields.

Both the Army and the Navy have four-digit specialty designators for officers, which describe their specialties in detail. In the Air Force, similar specialty designators provide the formal basis for managing the officer force. These specialty designators are most important, however, for the nonflying ("nonrated") officers; rated officers are managed in terms of their aeronautical ratings, according to whether they are pilots or navigators. The rated force is divided into the core (those assigned to flying and flying-related duties) and the supplement (rated officers assigned to nonrated line duties but available to meet the increased demands for rated officers that would accompany the outbreak of war).²⁴

The division of officers into skill groups facilitates the handling of assignments and the management of officer careers. Since World War II, officers have been expected to rotate among a series of assignments so they can build a broad background of experience. Some of these assignments are to special service schools that an officer is expected to attend if he is to attain the senior grades. The frequent rotation that such a system implies is exacerbated by "short-tour" assignments, usually as-

sociated with unpopular geographical areas that are unpleasant because they are combat zones (e.g., Vietnam), or because they are isolated or have a bad climate (e.g., Korea). By policy, personnel can only be assigned to these areas for a limited time—in the case of Vietnam no more than a year—before they must be reassigned to another area.²⁵ The result of the emphasis on career progression and the need to fill short-tour assignments is that the typical officer changes his assignment every two or three years throughout his career.

To handle these frequent changes, and to perform the various personnel management functions, each service has established a personnel center as part of its headquarters. These centers, as well as the various personnel offices in the commands, are staffed principally with officers whose career specialty is personnel management. In addition, each service has separate offices in the Pentagon devoted to management of the personnel system for O-6s and general/flag officers. Perhaps most important, the personnel systems are headed by a three-star deputy chief of staff in each of the services. These officers are not only of high rank, but also are normally line officers with broad experience. Thus, in the headquarters structure, the personnel function is on a level with other major functions such as plans and operations, research and development, and logistics.

The personnel centers match expected vacancies against personnel available for reassignment. At the junior officer level, the degree of personal attention is limited; the Army sometimes assigns junior officers only as far as major commands, leaving the specific assignment open.²⁶ As actually practiced, the assignment matching process tends to be short-run: The centers attempt to fill requests for each time period with the personnel who will be available in that time period. (The centers are usually making assignments that will take effect 6 to 12 months in the future.) They are reluctant to make a requestor wait for long periods of time until the "right" person becomes available; they are also somewhat reluctant to hold up an individual who must be reassigned (to meet policy on short-tour areas, because he is graduating from school, etc.) in order to find an assignment that is "just right" for

²²*Army Times*, 22 January 1975, pp. 1, 18. This appears to represent a compromise that leaves the original system little changed, since originally OPMS was supposed to create five groups of branches (combat arms, combat support arms, material and movements services, adjutant general corps, and specialist corps); see *Army Times*, 1 September 1971, p. 3.

²³Like the Army, the Navy has designated corps for the specialists with professional degrees (physicians, lawyers, etc.), plus a supply corps and a civil engineering corps (the "Seabees").

²⁴This concept also recognizes that, as a result of past build-ups, the Air Force has on hand more pilots than needed to man the present aircraft inventory.

²⁵Of course, personnel can be reassigned to the same short-tour area later on. This happened so frequently during the Vietnam conflict that the Army and the Air Force monitored assignments to Southeast Asia to insure that everyone in a given specialty/grade group served there once before another officer was involuntarily assigned for a second time.

²⁶While this may seem impersonal, it does give the commands substantial flexibility and may actually increase the individual's leverage in the system, since he may have more say in the manual assignment system of the major command than he would have in the semiautomated and distant central system.

him.²⁷ As might be expected, the latter behavior applies more to junior officers than to senior officers.

The assignment process is crucial to an officer's career, since the kinds of assignments successfully held play a significant role in determining his chances for promotion and thus for retention in the force. An officer can intervene in the assignment process by expressing his preferences; each service has "wish sheets" for this purpose. The officer can also speak directly to those responsible for making assignments for his specialty and grade. In addition, senior officers can and do intervene, specifying that they wish to have a few selected officers assigned to particular jobs. This is important not only in rewarding officers with new responsibilities, but in building staffs when a general officer moves to a new command.

Promotions are made by promotion boards composed of senior officers. They usually convene annually. There are separate boards for each grade, and they consider all officers determined to be eligible, with eligibility established by law for permanent grades and by policy for temporary promotions. The zones of eligibility are stated in terms of a minimum date of rank. For example, all officers might be considered for promotion to temporary major who were promoted to temporary captain on 1 February 1968 or earlier. (This is called the primary zone.) The zones exclude junior officers from consideration. The zones are publicly announced, since failure of selection is so closely tied to an officer's continued tenure in the force.

All officers in the primary zone are considered for promotion each year until promoted or released from active duty. In addition, an officer can be considered early ("below the zone"), generally no more than three years ahead of schedule, and the boards are allowed to select a limited proportion of the total from this category (usually no more than 15 percent). This is an important device for encouraging exceptional officers and also for allowing a limited number of officers to get broader experience while still fairly young. With the exception of this small group, however, most officers can expect to be promoted at about the same point, creating a "lock-step" promotion system.

III. PROBLEMS OF EXECUTIVE DEVELOPMENT: THE MILITARY'S APPROACH

A particular problem of any personnel system is how to develop the talents it needs in its executive

²⁷The centers do monitor an individual's assignments to try to insure that specified schooling assignments are met at appropriate times in his career.

force. This is especially important in a system that promotes entirely from within, because the "safety valve" of recruiting executives from the outside is lacking should the policies fail to produce enough high-quality candidates for the top jobs. This section outlines how the military services deal with this problem.

Career Progression

The "up or out" promotion system implies that officers must continually progress in responsibility if they remain in the service. In theory, every officer has a chance to reach the senior executive force, and therefore the services have developed policies to provide each individual with a broad background of experience. These policies aim at insuring frequent rotation through a variety of assignments. Three questions immediately arise about the functioning of this system. First, what sequence of assignments can the typical officer expect? Second, who actually reaches the top? And third, how are qualified specialists provided in a system that stresses generalists?

SEQUENCE OF ASSIGNMENTS ²⁸

After commissioning, the junior Army officer can expect to be sent to branch school for training in his particular area. This includes officers in the combat arms—infantry, armor, and artillery. (For more on the schooling system, see below.) He may then be assigned as a junior officer in a unit of his branch—perhaps as an infantry platoon leader. He can expect to keep that assignment for a year or so, before rotation to company executive officer or to a position as a battalion staff officer. After promotion to O-3 he may continue in a staff position; or he may, if fortunate, receive a company command. At this point, either as a senior O-3 or a junior O-4, he will attend the career course in his branch, which lasts the better part of a year and prepares him for middle management responsibilities. As an O-4, he can expect to spend some period of time as a staff officer in a senior headquarters, and he may, if so inclined and if selected, return to a civilian university to pursue a master's degree. Those with superior records can also expect to attend the Army's Command and General Staff

²⁸These sequences are illustrative, since there are obviously different career problems for different groups—e.g., aviators in the Army or the Navy, nonrated officers in the Air Force. The illustrative sequences that we present are focused on the officer closely connected with "mainstream" operations, since officers in these areas are widely believed to have a superior chance of joining the executive force.

College at Fort Leavenworth, which prepares them for staff and command responsibilities at the level of the division and above. Under the Army's new Officer Personnel Management System, a formal board will select those O-5s who are to continue in the "command" track, and those who are to develop specialized skills. Officers selected for command can expect to be assigned to troop leadership, remaining in command (e.g., of a battalion) for 18 to 24 months. Both "command" and "specialized" O-5s can expect to serve as an officer on a senior staff—as chief of a section at the division level, or as a working staff member at higher headquarters. Those selected for promotion to O-6 will again be reviewed by a board to determine who should be assigned to command positions (e.g., in charge of a brigade or an installation, or as chief of division artillery).

After commissioning, the typical naval officer might be assigned to duty aboard a destroyer for a three-year tour, during which he will rotate among the various departments of the ship (e.g., gunnery, engineering).²⁹ This may be followed by some type of shore duty (perhaps as a staff officer), and then another tour at sea, where, having achieved the grade of O-3, he will probably head a department if the vessel is a destroyer. The officer might next expect assignment as a staff officer at a more senior headquarters before returning to sea as a department head on a larger vessel, or as the executive officer of a smaller ship. Selection for command requires review by a formal board; if selected, the officer might be assigned to command a destroyer escort or a destroyer. At this stage in his career the officer might also expect assignment to a major operational staff (e.g., a carrier group), to a senior headquarters (e.g., the Pentagon), or to one of the senior service schools (perhaps the Armed Forces Staff College). If promoted to O-6, the successful officer may receive command of a larger vessel or a major installation. He will also spend some time in charge of a staff section, perhaps in the Pentagon.

The newly commissioned Air Force officer who is selected to be a pilot is sent first to so-called undergraduate pilot training, where he learns basic flying skills. He will then move to another base for training in a specific aircraft (e.g., the F-4), before being assigned to an operational unit. At the unit he will continue to train, eventually upgrading from copilot to pilot. After three or four years in the unit, the officer might be reassigned

²⁹This account draws on material in Thomas D. Morris, "Merit Principles in Military Officer Personnel Administration," *Public Administration Review*, XXXIV, September/October 1974, pp. 445-450.

to a flight operations staff,³⁰ returning to flying duty for a second tour—perhaps in a more senior capacity, either as an aircraft commander or as an instructor. The officer's next assignment might then be in a staff capacity, he might attend the Air Command and Staff College, or he might pursue graduate training at a civilian university. When he reaches the rank of O-5 he is eligible to command a squadron; he can also expect assignment as a staff officer at wing headquarters or higher. If he is selected for promotion to O-6 he will receive more responsible staff positions and may, if fortunate, command a wing of aircraft.

In all the services, then, the pattern is very much the same: a succession of assignments that usually rotate the officer between positions that are closely connected with operations and those that involve staff responsibilities. In the period between 5 and 15 years of service, the officer can expect to receive additional formal schooling. There is a premium placed on the opportunity to command, with the result that these are among the most sought-after of assignments.

FUNCTIONING OF THE PROMOTION SYSTEM

A first observation on the actual functioning of the "up or out" promotion system is that in the early years of an officer's career it is mostly "up" and rarely "out." In the Air Force, for example, in only two years between 1958 and 1973 did failure of promotion account for more than 3 percent of officer losses.³¹ This reflects the reluctance of the military community to force an officer to resign before he is eligible for a retirement pension at 20 years of service. Because 20 years of (total) military service will carry the typical officer to at least the temporary O-3/O-4 promotion point, and usually to the temporary O-4/O-5 promotion point, the first rigorous screening occurs at the promotion to temporary O-6.³² For example, the mean Army selection rates for promotion to O-4 and to O-5 were both 79 percent in the period 1964-74, while the mean selection rate for O-6 was 45 percent.³³ This *de facto* management rule is embodied in the ser-

³⁰Management of pilots is complicated by the flight pay law passed in 1974, which requires that an officer perform at least six years operational flying duty (including flight training) by his 12th year of aviation service, and have 11 years of operational flying by his 18th year, in order to receive flight pay through 25 years of officer service.

³¹*Air Force Statistical Digest*, various years. These are mandatory losses and do not include individuals who resign voluntarily when they are not promoted at the first opportunity.

³²Officers nonetheless take the earlier promotions very seriously, since some do fail of selection.

³³Selection rate defined as percent of primary zone eligibles promoted. Subcommittee Number 4, House Committee on Armed Services, *Hearings on H.R. 12405*, July 1974, Washington, D.C., 1975, p. 385.

TABLE 3.—TEMPORARY PROMOTION OPPORTUNITY^a AND PHASE POINTS^b FY1972

Promotion	Army		Air Force		Navy		Marine Corps	
	Opportunity	Phase Point	Opportunity	Phase Point	Opportunity	Phase Point	Opportunity	Phase Point
0-1 to 0-2	c	1 yr	c	18 mos	c	15 mos	c	15 mos
0-2 to 0-3	c	2-3 yrs	c	3 yrs	95%	3 yrs	95%	3 yrs
0-3 to 0-4	81%	8-9 yrs	90%	11 yrs	85%	8 yrs	84%	9 yrs
0-4 to 0-5	78%	14 yrs	75%	17 yrs	75%	14-15 yrs	71%	16 yrs
0-5 to 0-6	48%	20-21 yrs	50%	21 yrs	60%	20-21 yrs	70%	20-21 yrs

SOURCE: U.S. Congress, House of Representatives, Committee on Armed Services, Special Subcommittee on the Utilization of Manpower in the Military, Hearings, 1972, p. 12244.

^aPercent of officers selected from those eligible for the first time in the primary zone.

^bModal year of service for promotion.

^cAn officer determined by board action to be fully qualified is selected for promotion without percentage opportunity limitation.

vices' announced personnel plans: Promotion opportunity remains high through 0-5 and drops sharply at the 0-6 level. Table 3 presents FY1972 target promotion opportunities (the percent of officers selected from those eligible for the first time in the primary zone, and the point in the career when, in theory, selection should occur ("phase points")).³⁴

A particular point to notice about Table 3 is that officers are not usually selected for middle management (0-6 and above) until reasonably late in their career (about 20 years of service).³⁵ To provide more rapid promotion of the most promising junior officers, the services allow a small fraction (usually between 5 and 15 percent) of promotions to come from officers below the primary zone of consideration.³⁶ Because the fraction is small, and because these below-the-zone promotions typically come from officers only a year or so junior to the primary zone, this policy has only a limited numerical effect on what might otherwise be called a "lock-step" promotion system, with most officers reaching middle management responsibilities at the same point in their careers. This is in marked contrast to what happened during World War II, when many officers were rapidly promoted to the grades of 0-5 and 0-6, and some remained in these grades after the war, gaining substantial middle management experience and providing a large pool of seasoned candidates from which to select general officers. The

current system creates two problems for the services. First, it limits the amount of experience an officer can acquire as a mid-level manager (i.e., 0-6 and 0-7) before he is selected for senior executive responsibilities (i.e., 0-8 through 0-10); at present, this interval is usually less than ten years. Second, it limits the period of time that the services can use an officer in both the middle and senior executive ranks before he reaches mandatory retirement. Mandatory retirement for senior officers usually occurs between 30 and 40 years of service, with most concentrated between 30 and 35 years. Thus most officers have only 10 to 15 years to serve as middle and senior managers—in contrast to the approximately 20 years they spend in the more junior grades.

It is not necessary—or even, perhaps, desirable—that a promotion system afford each individual the same chance of reaching the senior grades; but it is understandable that this is a matter of concern to those governed by the system, especially when it is based on an "up or out" principle. In each service there is a well-developed set of perceptions among members of the officer force about the characteristics of those who are likely to succeed. These are surprisingly similar. It is widely believed that graduates of the military academies have a superior chance of reaching the top, especially in the Army and the Navy, and this is confirmed by the data presented in Table 8 (below), which indicate that more than half of the promotions to 0-7 in these two services come from academy graduates (whereas substantially less than half of the regular officer force has an academy background). The dominance of these graduates may be explained partly by the fact that the academies rank high among American colleges in the caliber of their student input; such students would be likely to do well whether they selected a military or a civilian career. Some, however, allege that the assignments of academy graduates are more carefully moni-

³⁴The advent of the Defense Officer Personnel Management System has caused the services to revise somewhat the rates shown in Table 3. The Air Force, for example, now has a target promotion opportunity to 0-3 of 95 percent; to 0-4, 80 percent; to 0-5, 70 percent; and to 0-6, unchanged at 50 percent. These new rates still imply a distinct break at the 0-6 promotion level: Ignoring attrition, they mean that 76 percent of a cohort will make 0-4 and 53 percent 0-5, but only 26 percent 0-6.

³⁵In contrast, business executives and civilian federal executives reach their positions more rapidly, in part because they have spent some time outside the organization preparing for their career. (See Warner et al., p. 385.)

³⁶There is also a date-of-rank cutoff for these below-the-zone candidates.

tored (by their fellow senior alumni) than those of the typical officer, and that this assures them a better chance of receiving jobs that enhance their chances of promotion. If true, even if inequitable, this may have certain advantages for the management of the officer system, since it helps develop a group of officers with a rich preparation for senior responsibility.

It is also believed that assignments to operational elements, particularly those related to combat, afford a better opportunity for advancement.³⁷ In theory, this should not be the case, since promotion boards are not usually instructed to discriminate between line officers on the basis of their particular specialties, and assignment to combat units is highly correlated with an officer's specialty background (e.g., his Army branch). In the Air Force, the hypothesis takes the specific form that pilots are believed to have a superior chance of promotion. This does appear to be true, especially for the important promotion to O-6 (Table 4) and, as discussed more fully later, in the promotions to general officer. The higher promotion rates among operationally oriented subgroups may reflect the response of individuals to perceptions about past policies: If young officers believe that the way to get ahead is to be in operations, and if they respond to that perception by selecting a career in these areas, then over time operations will receive a disproportionate share of talent. Thus present promotion opportunity may be equitable among groups (even though past opportunity may not have been), yet a higher proportion of operationally oriented officers will still succeed in achieving the senior grades.

It is also believed that assignment as a unit commander is necessary for advancement to the senior grades. In the case of the Army, the important command for this purpose is the battalion, preferably held in a combat zone. The demand for assignment to command a battalion in Vietnam was sufficiently strong that the Army had no difficulty in rotating these commanders every six months.³⁸ Because command assignments are perceived as enhancing an officer's chances of promotion, and because of the serious nature of the responsibilities involved, the Army has recently adopted a system similar to the Navy's, in which field grade officers are assigned as unit commanders

³⁷Paul P. Van Riper and Darab B. Unwalla, "Military Careers at the Executive Level," *Administrative Science Quarterly*, IX, 4 March 1965, pp. 421-436.

³⁸One reason cited for rotating battalion commanders every six months was the strenuous nature of the job. The practice was severely criticized by some members of the Office of the Secretary of Defense, and there was considerable debate over its advisability.

TABLE 4.—PROMOTION RATES, PILOTS VERSUS NONPILOTS, U.S. AIR FORCE 1970

Promotion	Cohort (years of service) ^a	Percent Promoted	
		Pilots	Nonpilots
To Temporary O-4	8-15	32	28
To Temporary O-5	12-21	15	11
To Temporary O-6	16-25	6.9	3.5

SOURCE: Office of the Deputy Chief of Staff for Personnel, Headquarters, U.S. Air Force.

^a Total Active Federal Commissioned Service.

only after selection or review by a central board.

Also viewed as a prerequisite to advancing to executive responsibility is assignment as a student to one of the senior service schools—one of the service war colleges, the Industrial College of the Armed Forces, or the National War College. An officer usually receives such an assignment when serving in the grade of O-5 or O-6, and the course typically lasts a year. (The functioning of these schools is discussed in more detail below.)

PROVIDING SPECIALISTS

One of the vexing problems in a system that emphasizes variety of experience, especially combat experience, is how to provide the necessary noncombat specialists to run the complex physical and organizational machinery of a modern military establishment. The services have adopted four approaches in dealing with this problem.

First, for the professional specialists (lawyers, physicians, etc.) all the services have created special corps whose management and promotion systems are separated from those of the line officer force.

Second, the services have tried to assign some line officers to specialized skill areas and to insure that their promotion chances are not thereby penalized. The Army's branch system, the Navy's restricted line officer, and the Air Force's nonrated specialist represent variants of this approach.

Third, both the Army and the Navy have inaugurated management systems that give officers a secondary noncombat skill, to be developed during the second ten years of service. Under the Army's new Officer Personnel Management System, the skill will be additional to the officer's branch qualification developed in the first ten years of service. Under the Navy's new Operational, Technical and Managerial System, unrestricted line officers, who develop a warfare specialty in

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the first ten years of service, will be expected to acquire a managerial or technical subspecialty in their second decade with the Navy.³⁹ The Air Force hopes to manage this problem by rotating rated officers to the supplement—that is, to nonrated line jobs where they can acquire experience in a specialized skill, yet still be available for cockpit duty in the event of war, and for subsequent operational assignments.

Fourth, both the Army and the Navy have used the warrant officer grade as a way of recruiting and retaining specialists, thereby avoiding the pernicious effects of the “up or out” system for commissioned officers. The Army gave warrant status to most of the pilots that it trained to man its Vietnam helicopter force. In this way, it made clear that it did not intend to retain them for a career and, in fact, cut back its pilot force substantially when the war ended, releasing many of the warrant officers from active duty. In addition, the Army, like the Navy, uses the warrant to give officer status to experienced enlisted personnel with technical skills. The Navy has extended this concept to create the limited duty officer for the technically qualified enlisted man who is expected to exercise supervisory responsibility. In contrast to the policies of the Army and the Navy, the Air Force has sought to eliminate its warrant officer programs.

Despite these efforts, the services find themselves promoting to middle and senior executive positions some officers who do not have substantial experience in the technical fields to which they are later assigned (e.g., comptroller). For senior grades (O-6, O-7) this problem is caused by a basic disparity between the nature of the job requirements and the kinds of officers the services choose to promote. The promotion systems favor generalists—i.e., line officers in the “mainstream” such as Air Force tactical and strategic pilots, Naval aviators, and Army infantry and armored officers. However, because of the hierarchy of jobs, there are fewer and fewer assignments for these officers in their specialties. Therefore, they are assigned to executive positions in technical areas. In 1970, for example, one service typically drew 25 percent of the recently promoted O-6s assigned to technical areas from the operational ranks. To the extent that this practice diminishes executive opportunities for officers who spend their careers as specialists in technical areas, it adversely affects the attractiveness of these specialties as careers.

³⁹To emphasize the seriousness of the plan, the Navy pointedly announced that the most recent selection ratio for commander was much better for proven subspecialists than for unrestricted line officers who had not yet achieved these qualifications (*Navy Times*, 6 November 1974, p. 4).

Technical and Management Development

To help insure a high level of technical and managerial competence among their officer force, all the services place great emphasis on formal schooling. When there are enough volunteers, they insist on a college degree as a condition of commissioning (especially as a regular officer), and they provide both the opportunity and financial assistance for the officer without a baccalaureate degree to obtain one. (See Table 5.) Over time, through a combination of stricter entrance requirements and these self-help programs, the services have succeeded in substantially raising the educational background of the officer force. Whereas in 1956 fewer than 60 percent of commissioned officers had graduated from college, by 1973 the proportion had risen to almost 90 percent.⁴⁰

In addition to setting educational standards for entry, the services have developed a system of in-house schools to train their officers in skills specific to the military, and in general management. Most junior officers attend one or more schools to learn occupational skills (Table 5, Levels 2 and 3). The Army has a school for each branch (e.g., armor, field artillery, ordnance). The Air Force invests considerable time and resources in school training of its pilots and navigators. In contrast, the Navy relies somewhat less on formal schooling in training its surface warfare officers: Most of these are provided on-the-job instruction by rotation through the departments of a ship at sea. Submarine and aviation officers, however, are provided extended instruction in special courses.

At these lower levels the instruction focuses on small unit operations, with emphasis on the practical. A new field artillery officer, for example, is taught how to run a fire direction center (including how to compute gun settings manually), how to adjust artillery fire as a forward observer, and how to prepare a battery position. He learns many of the duties that are usually performed by the enlisted personnel he will eventually supervise. These courses are characterized by a good deal of repetition, to be sure that the young officer has mastered the details of the position he will soon assume. In the case of the Army branch courses, the instruction usually lasts no more than three months.

The schools we have described thus far are attended by all officers. (In addition, an officer may attend specialized courses, such as those in nu-

⁴⁰Office of the Assistant Secretary of Defense (Comptroller), *Selected Manpower Statistics*, 15 May 1974, p. 43.

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TABLE 5.—PROFESSIONAL MILITARY EDUCATION PROGRAMS OF THE ARMED SERVICES

Level ^a	Equivalent Rank of Average Officer	Approximate Years of Service	Army	Navy	Air Force	Marine Corps
1	Cadet	0	(Commissioning programs, i.e., academies, ROTC, OCS)			
2	0-1	1	Branch Schools (Orientation Course)	Surface Submarine and Flying Schools; Officer Special Schools	Pilot-, Navigator-, and Specialty-Training Programs of Air Training Command	Basic School
3	0-3	5	Branch Schools (Career Course)	Naval Post Graduate School	Squadron Officer School	Junior School
4	0-4	12	Army Command and General Staff College	Command and Staff Course (Naval War College)	Air Command and Staff College	Senior School
5	0-5	19	Army War College	Naval Warfare Course (Naval War College)	Air War College	Other Service War Colleges
6	0-6	22	National War College; Industrial College of the Armed Forces	Same	Same	Same

SOURCE: Adapted from James C. Shelburne and Kenneth J. Groves, *Education in the Armed Forces*, Center for Applied Research in Education, New York, 1965, p. 86.

^aThe numbering of levels is for expository convenience; it has no official standing.

clear weapons or in logistics.) At this point, selection for further schooling is related to an officer's career prospects. For example, in the Army those standing in the upper third of their cohort in performance are candidates for attendance at the Command and General Staff College at Fort Leavenworth. (Table 5, Level 4). This is viewed as the first essential step if an officer aspires to the senior grades. It was established as a result of the educational policies of Elihu Root, who served as Secretary of War at the turn of the century, and who sought to improve the Army's training, responding to the dismal performance of its officer force in the Spanish-American War. The course of instruction lasts an academic year and concentrates on operations at the division level and higher. A substantial part of the student's time may be spent in map and operational exercises and in learning how to prepare written orders for large-scale operations. The Navy, Air Force, and Marine Corps all have similar courses of instruction, likewise focusing on the management and operation of large units.

Further schooling beyond the Command and General Staff College level is provided by appointment to one of the war colleges, to the Armed Forces Staff College, the Industrial College of the

Armed Forces, or to the National War College (Table 5, Levels 5 and 6). These courses also last an academic year and provide instruction in strategy and international politics. (The emphasis on the last has been criticized by some of the school commandants themselves, who believe that more time should be devoted to purely military matters—for example, fleet operations—so that the officer is better prepared to offer military advice to the civilian decisionmaker.)⁴¹ Selection for these courses is viewed as a necessary but not a sufficient condition for promotion to general officer. Only a limited number of officers, perhaps a few hundred in each service, are selected for senior schooling of this kind each year.

For technical training in nonmilitary skills the services use civilian institutions. These programs are generally aimed at junior officers to provide them with Master's degrees. A limited number of officers are allowed to pursue doctorates. However, the services have sometimes had difficulty defending these programs to Congress.

⁴¹See, for example, Vice Admiral Stansfield Turner's criticism of the Naval War College when he assumed command, as reported by Brooke Nihart: "Revitalization of the War Colleges: Intellectual Wasteland . . . or Challenge?" *Armed Forces Journal*, March 1973, pp. 26 ff.

Performance Evaluation and Rewards

A periodic officer evaluation report (known in the Army and the Air Force as an OER) is the formal tool for assessing an officer's performance. The report is completed by his immediate supervisor and by his supervisor's supervisor. It is made out each time he changes assignment or supervisor and at periodic intervals if he has not changed assignment. The supervisor is asked to assess the officer on a series of qualities, to estimate the officer's potential for additional training and higher responsibility, and to provide an overall ranking. In theory, an officer is supposed to be counseled on the content of his evaluation report (although he need not be shown the document directly). The officer may actually read his reports at a later date by visiting the service's personnel center.

A continuing problem with this system is the natural reluctance of supervisors to be candid in assessing the officers they rate, with the result that the scores suffer from inflation as time goes by; soon most officers are rated in the highest categories.⁴² To correct this tendency, the services periodically revise the report. In the early 1970s, the Army tried a more ambitious experiment, compelling raters to rank each officer against all other officers of that grade supervised. (For example, the supervisor was asked to say: "Lieutenant Jones ranks ____ among the ____ lieutenants that I rate.") More recently, the Air Force has decided to impose limits on the distribution of officer evaluations that may be awarded to prevent raters from placing all officers in the highest category. At various times it has been suggested that the power of the high-speed computer be brought to bear on the problem to keep track of a rater's "hard" or "lenient" tendencies and adjust his scores accordingly. To date, little has come of these proposals.

The inflation in officer rating scores creates an incentive to avoid risk-taking behavior. Since most officers are rated at the high end of the scale, a single adverse report can set back an officer's chances of promotion substantially. For this reason, the threat of a bad report sharply restrains subordinates.

Because of the weaknesses of the formal reporting system, and because of the importance of accurately assessing the performance of colonels who are being considered for promotion to general officer, the Air Force has instituted a special form for this group, which emphasizes a narrative report. The special form has been quite successful, with candid reporting the rule rather than the exception.

⁴²See, for example, *Army Times*, 4 December 1974, p. 1; *Air Force Times*, 21 August 1974, p. 1.

This may partly reflect the fact that the raters are senior officers who realize the seriousness of the evaluation, and the fact that an officer's tenure is not immediately jeopardized by this report (unlike the reports on more junior officers, who may be discharged from the service if they fail promotion).

Because of the deficiencies of the evaluation forms, the *assignments* obtained by an officer are an important factor in promotion. The commands have some latitude in assignments. As would be expected, officers considered highly qualified are rewarded with choice assignments—for example, command of a unit, especially when junior to others holding the same type of position. Conversely, poor officers are assigned to jobs with little meaningful responsibility. Therefore, having held tough jobs (and, of course, having done them well) indicates to the promotion boards a superior officer.

IV. ISSUES IN EXECUTIVE MANAGEMENT

Requirements

GENERAL

The military services are very large organizations, and, like all such organizations, they require a senior management corps that develops policy and directs the organization in attaining its principal objectives. To perform satisfactorily, the system for managing senior officers must be designed to select and use the best qualified talent available and adapt to change over time. In addition, because of the nature of the military mission, it is imperative that these executives be prepared to serve the nation (and not just the military) in times of crisis. Military leadership in a democratic society must be professionally qualified *and* responsive to constituted civilian authority.

With these general objectives in mind, in this section we examine the character of the military executive management structure. The focus is upon how the system is operated in the hope that systems having many of the same characteristics (such as the Foreign Service) can gain from the military experience. The discussion will include the management of the middle executive force (colonels and one star generals) but will emphasize the senior management (two, three, and four star generals).

SPECIFIC LIMITS AND RESPONSIBILITIES

As discussed earlier, the exact number of officers on active duty at any point in time is specifically determined by the Congress. The OGLA ties the number of generals/admirals in each grade to the overall number of officers on active duty. In addition the Congress has imposed informal ceilings (the so-called Stennis ceilings) on the number of general officers on active duty. These ceilings are usually lower than those indicated in the law. The breakdown of those now on active duty, by grade, was shown in Table 1.

General and flag officers are charged with command of the military services, the major unified and specified commands (e.g., Strategic Air Command) and some organizations outside the services (e.g., Defense Intelligence Agency and NATO). Table 6 provides a breakdown for one service. Consequently, the senior military executive force has responsibilities considerably broader than the management of individual services. The positions outside the services carry prestige for the service as well as rewards for the individual. Some outside positions are traditionally filled by a particular service, while the services compete for others by nominating their best candidate to the Secretary of Defense.

The Executive Management System

FORMAL RULES

The structure of the executive force is extensively specified by law and its managers are thus substantially constrained in the options they have for its management. This does not mean that the formal rules determine the system's performance; rather, the problem is to use the limited tools available to develop a preferred system.

As in the earlier discussion of middle management grades, the senior management system is a complex set of linkages among regular (i.e., permanent) and grades, tenure, and grade structure.

TABLE 6.—AIR FORCE GENERAL OFFICER STRENGTH BY GRADE AND AGENCY (AS OF 1 OCTOBER 1974)

	0-10	0-9	0-8	0-7	Total
Headquarters, U.S. Air Force	2	9	34	32	77
Major Commands	7	17	76	115	215
Separate Operating Agencies			5	5	10
Outside Air Force	4	16	28	51	99
Total	13	42	143	203	401

SOURCE: Office of General Officer Matters, Headquarters, U.S. Air Force.

Here, these linkages are even more important because of the limited number of officers, the coupling of specific jobs to specific grades, and the short amount of time each officer has before retirement.

The relevant grades are the highest two regular grades—regular 0-7 and regular 0-8—and the four senior temporary grades—0-7 through 0-10. As with the lower grades, the temporary grades denote the actual operative rank of the officer and the regular grades confer tenure. But at this level the regular promotion system is critical in controlling key characteristics of the force.

The regular 0-7 promotion confers tenure (i.e., years of active duty before mandatory retirement) of 30 years of service or 5 years from time of promotion, whichever is greater (coupled with an age limit of 60). The regular 0-8 promotion confers tenure of 35 years of service or 5 years from time of promotion, whichever is greater (coupled with an age limit of 62). The services have adopted different approaches as to when an officer is eligible for regular promotion as well as the interplay of regular promotion and age limits in determining an officer's tenure. The specifics of each approach are not important for the discussion. But it is important to note that the services must carefully plan decisions that confer and limit tenure because they are a key factor in determining the characteristics of the force (e.g., average age, number of annual promotions, etc.) as will be discussed below.⁴³

THE PROMOTION MECHANISM

The services select⁴⁴ brigadier and major generals (both temporary and permanent) by using boards of senior officers, with the names of the board members not known in advance. The most severe competition (in terms of the ratio of eligibles to selections) is for the initial general officer promotion to temporary 0-7. For example, in recent years, for 60 to 70 promotions per year available in the Air Force, the major units screened about 4,000 eligible colonels and nominated the best, about 750, to a central board. This board chose 300 candidates who were then screened by the promotion board which made the final selections.⁴⁵ There are also boards for promotion to regular brigadier general and to temporary and regular major general,

⁴³Of course officers may retire voluntarily before their mandatory retirement date, and many do.

⁴⁴By law the services nominate officers for promotion. The nominees are then approved by the White House and sent to the Senate for confirmation.

⁴⁵Captain J. T. Carrell, USAF, "Everything You Always Wanted to Know About Promotions," *Air Force Magazine*, February 1972.

but with the number of eligibles in each case being much smaller.

The selection process is largely internal to each service. By law the boards are selected and given guidance by the service secretaries. In addition, the senior uniformed officers of each service probably play a major role in developing the guidance for the boards. Thus the current senior management identifies its successors through the board process.

The candidates for promotion to three and four stars are not selected by boards. These grades are directly and specifically linked to the positions being filled. The amount of civilian influence would appear to vary with the nature of the assignment. The most senior positions are obviously of great concern to the President and Secretary of Defense. The senior civilian leadership would also appear to have considerable influence over senior positions outside the services, both for Defense Department agencies and major commands.⁴⁶ However, even in these cases the only candidates available are those supplied by the services. They have selected and trained *all* eligibles.

MANAGING SENIOR EXECUTIVES

Given the overall structure of the system, and its severe constraints, how is it managed? Having developed and screened a large number of candidates for executive leadership, the current incumbents must select their successors. In the recent past, for the Army and Air Force the number of promotions each year to temporary 0-7 has run 60 to 70. With the post-Vietnam reduction in the size of the officer force, these numbers are falling; last year the Air Force promoted 38 line officers and the Army a like number. These officers are selected not only to fill immediate vacancies, but also as candidates for future promotion to the higher grades.

Because of the overall structure of promotions, officers are usually selected for temporary 0-7 in their 23rd to 25th year of service. If they are to attain four star rank they must arrive at the threshold of that position in about 10 years since they will retire between 35 and 40 years of service and need to serve at least one full tour (normally 3 years) in their highest grade. This means roughly one tour per grade. The amount of time per grade is further constrained by the fact that the various jobs and ranks of the incumbents must match, with only limited flexibility. Thus there is a great deal of movement by job and grade, with only limited stays in each assignment (Tables 7 and 8).⁴⁷

⁴⁶By law the commanders of unified commands report to the Secretary of Defense, not their service chiefs.

⁴⁷These constraints are not as severe for the clearly excep-

In any closed system that has a very limited number of senior positions that confer specific, limited tenure and uses promotion as a principal reward device, the management of the executive force must be finely tuned. The system's managers must explicitly identify the desired characteristics of the force as to tenure, background and training, age and experience level, frequency of job rotation, and so on. Perhaps more important, it must have a general personnel system that is orderly, well understood, and stable over time.

Characteristics of Senior Executives

Given the closed system, with promotion being carefully managed throughout the officers' careers, the senior management might be expected to be largely homogeneous, and this is indeed the case. However, they are not representative of the officer corps in general. This is really not surprising.

The personal characteristics of officers promoted to temporary 0-7 are shown in Table 8. (As indicated earlier, this is the most important promotion, and these are the officers who are now rising to the two and three star positions.) In terms of average age and years of service, the most significant point to note is that the spread from top to bottom is only about ten years.

Educational characteristics represent important indicators of the training of the executive force, and Table 8 displays a distribution that is not typical for all officers. At the undergraduate level the number from the military academies is particularly striking.⁴⁸ The low levels for the Air Force reflect its recent origin and rapid World War II growth, which relied heavily upon aviation cadets, many of whom were not college graduates. It will be interesting to see whether the Air Force experience more closely mirrors the two senior services once Air Force Academy graduates become generally eligible for general officer promotions.

Even more striking is that attendance at a senior service school is practically a prerequisite for these promotions. Of course, large numbers of senior service school graduates are not promoted, but this experience appears necessary for consideration for promotion. Or, to put it differently, the services appear to send their most promising officers to these schools.

tional executive as they are for the average officer. The system of below-the-zone promotions discussed earlier extends into the general officer selection process. Thus there is a group, albeit small, with more time to serve in the senior grades.

⁴⁸Of all army generals in 1973, 48 percent were academy graduates (Mylander, p. 343).

TABLE 7.—TENURE OF ARMY GENERALS IN JOB (502 GENERALS ON ACTIVE DUTY, 1 MAY 1973)

Time in Job	0-10	0-9	0-8	0-7	Total	Percent of 502
1 to 11 months	7	19	94	154	274	54.6
12 to 23 months	--	12	46	66	124	24.7
Over 24 months	4	17	56	27	104	20.7
Total	11	48	196	247	502	100.0
Average number of months	16.4	18.7	17.6	15.3	16.5	----

SOURCE: Maureen Mylander, *The Generals* (New York: Dial Press, 1974), pp. 349-350.

TABLE 8.—PERSONAL CHARACTERISTICS OF 1969 PROMOTEES TO 0-7

	Army	Navy	Air Force
Military Academy graduates	62%	55%	29%
College graduates	100%	98%	74%
Senior service school graduates	100%	80% ^a	67% ^a
Average age	47 years	49 years	47 years
Age range	43-52 years	46-54 years	42-55 years
Average years of military service	25 years	26 years	23 years
Years of military service-range	21-27 years	22-29 years	20-29 years
Average number of assignments	23	23	19
Average months per assignment	13	14	14
Years in operational/command assignments	9	11	7
Years in staff assignments	9	12	13
Years in school assignments	7	4	3

SOURCE: U.S. Department of Defense, Blue Ribbon Defense Panel, *Report to the President and the Secretary of Defense*, Washington, D.C., 1970, Appendix D, Enclosure 1.

^aUpper bounds; may count some officers twice.

One frequently alleged characteristic of military officers in general, and senior military officers in particular, is that they are drawn disproportionately from the old South. At least that contention does not stand up under scrutiny (Table 9).⁴⁹

Probably the most controversial characteristic

TABLE 9.—PLACE OF BIRTH, ARMY GENERALS^a

Region	Percent of Total
I. Maine, New Hampshire, Vermont, New York, Massachusetts, Connecticut, Rhode Island	18
II. Wisconsin, Michigan, Illinois, Indiana, Ohio, Kentucky, West Virginia, Pennsylvania, Maryland, New Jersey, Delaware	26
III. District of Columbia, Virginia, Tennessee, North Carolina, South Carolina, Georgia, Louisiana, Mississippi, Alabama, Florida	19
IV. North Dakota, South Dakota, Nebraska, Kansas, Minnesota, Iowa, Missouri, Arkansas	13
V. Texas, New Mexico, Arizona, Oklahoma	9
VI. Montana, Wyoming, Colorado, Idaho, Utah, Nevada, Washington, Oregon, California	10
VII. Areas outside continental U.S.	4

SOURCE: Mylander, *The Generals*, p. 339.

^aBased on data for 356 generals on active duty 1 August 1973.

of the executives is the very heavy stress upon the traditional combat arms. In the Army over two-thirds of all line general officers are from the combat branches (Table 10), and the representation increases with grade. For the Air Force the dominance of pilots is even more striking. For example, from 1953 to 1972 approximately 90 percent of all generals who served in any one year were pilots.⁵⁰

These representations cannot be defended in terms of the job requirements of the general officer jobs as a whole. Indeed, many of the one and two star jobs are staff positions relating to various technical specialties, and the line officers often have very limited experience. This practice raises fundamental questions about the objectives of the system. The current practice must have an adverse effect on the morale of many of the specialists as they see "generalists" occupy senior positions to which they aspire. More fundamentally, it raises doubts about whether the necessary number of highly trained specialists can be attracted to careers that place a heavy emphasis upon upward mobility

⁴⁹This is also confirmed by Warner et al., who studied the social and geographic origins of senior 0-6s and general/flag officers from all the services in 1959.

⁵⁰Arnold Kanter, "Presidential Leadership of the Military Services: An Interim Report," Institute of Public Policy Studies, University of Michigan, Discussion Paper No. 53, p. 24.

TABLE 10.—BRANCH OF SERVICE—ARMY GENERALS (245 GENERALS IN GRADES O-8 TO O-10 1 AUGUST 1973)

Major Branch or Corps	General	Lieutenant General	Major General	Total	Percent of 245
Combat Arms ^a	10	31	121	162	66.1
Support Arms ^b	1	8	31	40	16.3
Technical Services ^c	1	5	23	29	11.8
Professional Branches ^d	<u>12</u>	<u>45</u>	<u>188</u>	<u>245</u>	<u>99.9</u>
No data			<u>5</u>	<u>5</u>	
TOTAL	12	45	193	250	99.9 ^e

SOURCE: Mylander, *The Generals*, p. 334.

^aInfantry, Field Artillery, Armor, Air Defense Artillery.

^bEngineer, Signal, Military Intelligence, Military Police.

^cOrdnance, Quartermaster, Transportation, Finance, Chemical, Adjutant General's, Logistics.

^dMedical, Judge Advocate General's, Chaplain, Women's Army Corps.

^eDoes not total 100.0% due to rounding.

and yet in practice limit their promotion opportunities.

The data indicate that the services have chosen not to stress equal promotion opportunities for all but rather to emphasize the need for large numbers of generalists to compete for the most senior positions in the organization. An institutional ethic that places a high value on broad experience in mission related jobs and active competition by the largest eligible group results in a favoring of those who represent the occupational essence of the organization. While widely criticized, it is not at all obvious that this is an incorrect approach to the development of a senior management corps. It stresses mission orientation, a broad experience base, and stiff competition in the development of a large body of middle managers from which to select the most senior commanders.

Even if the emphasis were deemed to be too strong in one direction, the solution would not necessarily be to force a different choice of selectees at the top. It ought to be possible to restructure the overall system to meet most of the senior executive management needs with generalists and still offer specialists highly rewarding careers. Solutions of this sort would require relaxing some of the severe constraints of the current system, which is a totally closed pyramid, stresses an up or out philosophy, and closely ties pay and other rewards to grade-identified promotions. In other words, a system could be developed that would provide different types of career opportunities and performance rewards for different groups.

System Responsiveness

The most important, but highly intangible, issue facing the military officer system is whether it will produce executives who are responsive to changes

in the nation's needs. That is, not only officers of high general quality but also a set of officers with the necessary mix of specific attributes. On the whole, military historians have been impressed with the products of the pre-World War II system. Although objective evaluation of that system would find it seriously deficient in some ways, it nonetheless displayed remarkable success, producing both Marshall and Patton. Can the current system do the same?

Morris Janowitz, in his definitive study *The Professional Soldier*, identified three basic career patterns: prescribed, routine and adaptive. The first includes those officers who followed the idealized pattern (got all their "tickets punched," in current parlance). The routine pattern involves following the rules of the game but not attending the key schools and not getting standard key command assignments. The pattern is best represented in the technical services and support functions. The group with adaptive careers includes those officers who have had unusual or unique experiences while generally following the prescribed career. These are largely future-oriented officers.

Janowitz's analysis revealed that although adaptive careers were only modestly representative of the total body of top professionals, about one-half of the 1950 elite nucleus (two star and above holding key assignments) was made up of those who had had adaptive careers, "thus demonstrating the extent to which entrance into the very top echelons of the military professions was not dependent on following the rules of the game."⁵¹ It would be valuable to update the analysis to measure changes in emphasis over time.

Casual observation would indicate that the results may be similar today. (This, of course, leaves moot the question of whether that is good or bad.)

⁵¹Morris Janowitz, *The Professional Soldier*, p. 159.

There appears to be a certain broad homogeneity but there also appear to be a number of different paths to the top. The current leadership searches for those who stand out. With luck, this includes at least some who have taken risks—i.e., have been both innovative and successful.

V. ANALYTIC TOOLS FOR MANAGING THE OFFICER FORCE ⁵²

Because of the complexity of their personnel management problems and the specificity of a closed, rank-oriented system, the military services have pioneered the development of computer-oriented management models. These models are an important tool for evaluating alternative policies. This section presents a brief description of the various generic types of manpower models and briefly describes their contribution to the management of the military services and similar organizations.

The Air Force pioneered the construction of such models in the late 1960s with its TOPLINE model for evaluating the officer force. Since then, the number of such models and their sophistication have grown markedly.⁵³ In general, these models are designed to enhance the efficiency of manpower management by identifying the complex interdependencies among the various elements of the organization for the current system as well as over time. In addition, they are helpful in evaluating contemplated personnel policies.

Nonoptimization Models

Both optimization and nonoptimization models will be discussed, but the latter are of principal interest in the current context. Although nonoptimization models cannot be used to approximate optimal solutions, this should not be overstressed. They have the advantage that they allow the planner to vary input parameters for various policy variables to evaluate change and select the most desired array of inputs. In this sense they can be used to approximate optimal solutions.

The models are developed by mathematically expressing the relationships between the principal variables of the personnel system. Having

specified the overall structure of the system in terms of states (e.g., people's characteristics in terms of grade, specialty, and years of service), they attempt to identify the relationships between the number of individuals in each state and key policy variables (e.g., promotion rates, retirement policies).

Nonoptimization models have several distinguishing characteristics. If the focus is on short-term objectives or on the evolution of the force over the next several years, then the models are designed to age the force and display the rates of change among the various states; that is, they are dynamic. However, if alternative long-range objectives are being evaluated, steady models are used that do not contain a time variable. Steady state models, which inherently involve far fewer states, have the advantage of making the planner and, more important, the decisionmaker focus on the most desirable array of attributes for the system.

Most of the dynamic models (and by definition all of the steady state models) aggregate the subjects in the system by sets of common characteristics to create various classes or cells (e.g., rated, regular, 0-5s eligible for promotion). However, it is possible to construct models that work with the actual individual records of the people in the organization, so-called entity models. These models identify the characteristics of the various people and attempt to predict changes in the array of the individuals over time following some set of events, such as promotions.

Conceptually, the dynamic and steady state models are complementary. The dynamic models specify the current state of the system and indicate how it will change over time. Thus, for any given set of personnel policies and the state of the outside world (e.g., wages and unemployment rates), they attempt to identify the principal ways in which the system will change over time. For example, given the array of officers in various grades and specialties, as well as promotion rates, they project the composition of the force in some future period. In addition, ideally, if key personnel policies are changed the model will indicate the subsequent changes in the future state. Although this information is very valuable to the planner, it does not address the question of what is the preferred future state of the system. Identifying preferred future states can be done with steady state models.

The steady state model avoids the complexity of time and focuses on the principal, measurable characteristics of the system for some set of specific policies. Because the system is complex and the various attributes are often conflicting, determining a preferred future state requires senior

⁵²This section draws heavily on material prepared by David Jaquette, Gary Nelson, and Roberta Smith, of The Rand Corporation, who are engaged in a continuing study of computer-based manpower models.

⁵³For a general survey of the existing models, see E. S. Hutchins *et al.*, *Computer Models for Manpower and Personnel Management: State of Current Technology*, Naval Personnel Research and Development Laboratory, Washington, D.C., April 1973.

executives to make explicit choices among values. For example, increasing specialty promotions to O-4 at the expense of promotions of pilots in the Air Force (or the combat arms in the Army) increases promotion equity and specialty retention (positive) but at the cost of pilot retention (negative). Whether this is a preferred outcome is a management judgment.

Senior executives are usually most comfortable in speaking in general terms of their preferred system. Unfortunately, all too often such prescriptions avoid the fundamental problem of the tradeoffs between attributes (e.g., high promotion rates versus long tenure). For them to address the questions of specific tradeoffs between system attributes, it is necessary to provide a set of explicitly different future systems. Once the alternatives are arrayed, the decisionmaker is in a position to examine the objective differences (e.g., promotion probabilities, selectivity ratios, retention rates) and make the necessary subjective judgments (e.g., more promotions at the expense of longer time in grade) for the identification of a preferred future force structure. Indeed, a preferred solution must be specified to obtain a standard for the evaluation of current policies and the desired system attributes. Consequently, a steady state model can be used to examine alternative futures and indicate long-term objectives. Then dynamic models can be used to evaluate alternative current policies and their contribution toward that objective.

Models that examine change should be predictive and incorporate the individual's behavior in response to policy decisions. Unfortunately, many of the current models involve projections that do not take these behavioral responses into account. Improving the predictive features of these models is a major research challenge. Progress has been limited to date because of their newness and the highly complex interdependencies that must be understood before reliable predictive models can be fully realized. For example, the effect of alternative compensation packages and rates of grade progression on retention are poorly understood, yet critical to the evaluation of major personnel policies.

Optimization Models

Optimization models are designed to determine some optimal outcome for the personnel system, given a set of constraints. For example, they may be designed to specify the military officer force that provides the greatest capability for a given budget cost. Unfortunately, they face formidable specification problems. For example, maximizing capability

requires estimates of the relative productivity of the officer force by grade. In addition, because of the complexity of the optimization problem, these models must greatly simplify reality. Their major virtue is that they stress the necessity of making some measurements of system productivity, whereas the nonoptimization models stress the functioning of the personnel system itself.

Conclusions

Although these models are still in the developmental stage and have serious deficiencies, they have become a valuable management tool. Sophisticated techniques using high speed computer calculations have been developed for arraying and evaluating very complex personnel systems. Among their most important attributes are:

1. Their construction forces the planner to make careful specifications of the principal characteristics of the personnel force.
2. They allow the evaluation of alternative policy proposals by taking into account complex interrelationships and long-term effects.
3. The evaluation of alternative policies through successive computer runs of the models makes them an important heuristic device in enhancing the planners' intuition and awareness of system dynamics.
4. Perhaps most important, by specifying the current system, arraying future alternative systems with explicit tradeoffs of attributes, and identifying the actual effect of policies and practices, the models enable the senior decisionmaker to make conscious choices regarding the attributes of the personnel system.

VI. CONCLUSIONS

Comparison with the Foreign Service Personnel System⁵⁴

The Foreign Service and military personnel systems are both "closed" structures, with senior officers being promoted up through the junior ranks. However, the Foreign Service appears to have more opportunities for lateral entry, principally through the use of the categories "Foreign Service Reserve Officer" and "Foreign Service Reserve Officer (Unlimited Tenure)," and by direct appointment to the category "Foreign Service Officer" without taking

⁵⁴Our understanding of the Foreign Service personnel system is largely drawn from R. Bartlett Moon, "The Foreign Service Personnel System," printed elsewhere in this Appendix.

the competitive examination. Although the military services do recruit a few specialists on a lateral entry basis (e.g., physicians), and there are programs that allow enlisted personnel to advance to officer status, there has been almost no lateral entry to the senior line officer force in the military since World War II. The decision to renounce lateral entry as a personnel policy partly accounts for the military's emphasis on schooling opportunities, since requirements for managers familiar with new technology can be met only by the existing officer force. That policy also places a premium on correctly forecasting future needs for senior executives, since they must be developed from junior officers now on duty.

Both the military and the Foreign Service vest rank in the person. Although the military does assign grades to each officer position, in practice positions may be filled by officers of another grade, usually by a more junior officer. Senior military positions—those carrying three or four stars—combine a “rank in the man” and “rank in the job” approach. Appointment to one of these senior positions almost automatically assures promotion to the higher grade, but the individual does not normally revert to his previous lower grade when he leaves the position.⁵⁵ The latter creates an additional problem in managing the most senior positions, since in practice the only way to remove a three or four star executive from the force is to have him retire. In the Foreign Service, officers serve in positions above and below their rank; assignment to more senior positions brings no assurance of promotion but may facilitate it.

The number of military and Foreign Service Officer grades is the same (ten), and the salary scales span the same range. Both systems are organized in a pyramid fashion, with the number of individuals in a higher grade smaller than that in the next lower grade, but the military pyramid has relatively fewer positions at the top. Less than 1 percent of military officers are in the general/flag grades, whereas 7 percent of foreign service officers are in grades FSO-1 or higher, from which the chiefs of mission are selected. This gives the military more potential candidates to fill each senior position and makes their attainment highly competitive.

The organization of personnel into classes is somewhat different in the Foreign Service and military personnel systems. Both the military and the Foreign Service have line and specialist elements, but the military divides its line element into two classes (regular and reserve) with different tenure

⁵⁵As we noted earlier, before World War II retirement was not the only exit from these senior positions. Some incumbents stepped down but remained on active duty and reverted to their lower permanent grades.

rights, reflecting the historical development of the officer force. The Defense Department would like to unify the two classes. In the Foreign Service, specialist elements are generally identified with the reserve officer corps, originally commissioned for only short periods but now augmented by the FSRU corps with unlimited tenure.

Both the military and the Foreign Service have skill designators to aid in the assignment of personnel. However, the actual working of the assignment process for junior officers is fairly impersonal, and the individual plays a limited role in determining where he is assigned. Middle-grade Foreign Service Officers appear to have more influence over their assignments than do middle-grade military officers, reflecting the power of the receiving organization to influence the personnel assigned to it. In the military, this influence is more limited and usually reflected in general policies rather than specific assignments. In both systems, assignments of senior officers are handled quite separately from those of the junior and middle grades.

Both the military and the Foreign Service have an “up or out” promotion system. The military application of this principle appears to be much more vigorous, but the Foreign Service separates for substandard performance as well as for exceeding time in class. Because of the reluctance to force a military officer out before he completes 20 years of service and is eligible for a pension, however, most officers progress “up” until they reach at least the grade of O-5. Beyond that point, selection is more rigorous, and many officers leave the military service in this grade, encouraged by the liberal pension system.

In both the military and Foreign Service, it is widely believed that there is a subset of jobs that lead to the top, and these are concentrated in “line” areas.

One of the very important differences between the military and the Foreign Service is the emphasis on continued schooling. The military provides additional training for its officers in part because their positions frequently involve technical skills that are not usually taught in the civilian university system, such as operating a field artillery battery. However, the military services have also established a series of senior schools designed to train military officers for management of large units and also to prepare them for the political responsibilities of high command. The stress that the military services place on additional schooling is reflected in the substantial portion of the typical general officer's career that has been spent in formal training. In contrast, a Foreign Service officer will take several short, specialized courses during his career but spend no more than an academic year, on average, in training.

The military also differs from the Foreign Serv-

ice in its emphasis on formal personnel planning. The Army, Navy, and Air Force all have or are building some kind of force projection model that allows them to assess the effects of differential policies on future stocks of personnel. These models are still in the early stages of development and must take many variables as given. For example, they do not embody behavioral assumptions. To take a particular case (voluntary) retention behavior is assumed to be independent of promotion policy, although this is manifestly untrue. The services are working to improve the models; even in their current imperfect state, they are an important planning tool.

Lessons from the Military Service

One of the difficulties with a closed personnel system is having sufficient high-quality candidates to fill the senior positions. The military is helped in solving this problem by having relatively fewer positions at the top than the Foreign Service. It has developed a structured system for training and evaluating large numbers of officers for these positions. Because it is a closed system and the current leadership must select successors, a great deal of time and attention is spent on this process. The personnel system is given prominence in the organizational hierarchy and is headed by a senior line officer (O-9). In addition, the Chiefs of Staff of each service appear to spend a great deal of time reviewing the performance of senior officers, approving assignment changes, and generally managing the system.

The major problem appears to be the high rate of job rotation, which is largely due to the constraints imposed by the law; but it is also, in part, caused by the emphasis on training experiences and progression, tending to limit the development of deep experience in the major jobs. However, the services appear to be quite firm in weeding out general officers who do not perform well. Many one star generals never receive a second star, and it is not unknown to have generals suddenly (but usually gracefully) reassigned to less responsible positions or even retire earlier than they had planned.

None of the military services has solved the problem of balancing career rewards for specialists and generalists to the satisfaction of both groups. Specialist positions are a larger fraction of middle and senior executive requirements than is the junior officer force. Thus, even if junior specialist and nonspecialist officers were promoted at the same rate, the services would have to retrain significant numbers of personnel at the middle management level. The problem is exacerbated because nonspecialist officers are often

promoted at higher rates than specialist officers. Their more rapid promotion reflects the fact that any organization will tend to favor those in the mainstream whom it considers legitimate candidates for senior positions. Naturally this raises questions as to the quality of the specialists who can be attracted. The Navy has sought to solve this problem by designating some specialties as corps and some as restricted line, in effect guaranteeing them the share of promotions necessary to sustain middle and senior executive ranks. Both the Navy and the Army have recently revised their officer management systems to give combat officers a secondary skill, thus broadening their experience for the future. However, for highly technical skills this will not solve the problem.

The services are considerably constrained in their current structure from adequately resolving these issues. As the world becomes more complex this becomes more important. For the Foreign Service, lateral entry helps, but probably is not sufficient. Here, too, the specialists are not in the mainstream. The various proposals and policies that have been examined by the academies should be of value to similar systems.

The difficulty in developing specialists is both exacerbated and aided by the policy of frequent rotations. On the one hand, the officer is rarely in a position long enough to develop true expertise. On the other hand, the typical officer is likely to have a series of assignments that are in fact training experiences; and the successful officer is one who learns how to acquaint himself with a new job quickly. Civilians observing military officers at work frequently remark at the swift manner in which they address themselves to the problem at hand. Their solution may not be expert, but it is usually ready more or less on time. To some extent the extraordinary rotation rates are a function of the legal constraints, but certainly not totally. The services have opted for this approach to career development. However, it is a legitimate issue as to whether the job requirements would not be better served, and career development needs still met, with longer tours of duty.

The military services have developed an extensive system of formal educational experiences and consciously built them into career patterns. At the junior officer level, this training is devoted to learning the skills associated with an officer's specialty. At the senior level, much of the current thinking focuses on management techniques. In fact, practically all candidates considered eligible for promotion to senior positions attend one or more schools.

In a closed system, new ideas, technical skills, and expanded experiences must come from the people in the system since "new blood" cannot be injected. The formal school system attempts to meet some of

these needs. There are criticisms of this approach as to both its extensiveness and its quality. Nevertheless, the device is worthy of strong consideration by other closed systems, including the Foreign Service.

Despite its weaknesses, the system that has evolved to manage military officers has worked quite well, perhaps better in producing senior executives than in developing middle managers, among whom the variation in quality is much more substantial. The system has been helped, however, by two important factors. First, the academies give

the services a group of above-average individuals committed to a military career. These individuals would probably be equally successful, had they selected civil pursuits instead. Second, in World War II the services took in the better part of a generation of America's youth and awarded promotions largely according to merit. The result was to allow the most capable to rise to middle management ranks quickly, and many remained in uniform after the war ended. These individuals have provided the leadership for American armed forces in the post-war period.

Executive Development in the Federal Service

William T. McDonald
March 1975

I. THE NATURE OF EXECUTIVE DEVELOPMENT

Grooming princes to govern and training captains for conquest and defense have been going on since history writing began, because the criticality of leadership has long been recognized, almost universally. Executive development in the U.S. Federal Service, however, began only in the recent past and its subsequent growth has been less than precocious. Some incipience can be cited before World War II, but clear emergence has come only during the last three decades.

The gigantic objectives thrown up by the War and the immense requirements for instant leadership both in war production and military operations drew thousands of Americans into new responsibilities and frequently into successes, which were surprising at the time, and afterwards continued to draw interest and analysis by curious minds.

How can governments and business organizations plan and act now so that they can be reasonably sure they will have an adequate supply of competent executives or leaders in the future, for filling vacancies due both to attrition and expansion? By what criteria are executive positions to be identified? What capacities must potential executives possess from the beginning? How can such capacities be assessed most reliably, and what sources contain the richest veins of potential executive ore?

It was once the consensus and is still a widely held belief that potential executives are best developed into producing executives by progressing during their careers through a series of managerial assignments of ascending difficulty; it is success achieved at each step and the reinforcement that sweet success brings which produces good executives. At best this process is slow, and not at all certain. If it is indeed the *sine qua non* process, by what management strategies can its success rate be increased and

its production rate be speeded up? What kinds of work assignments yield the most learning for the developing executive, and what sequence of such efficacious assignments is optimal. What kinds of direction and coaching are most effective?

Must executives forever be condemned to reinvent the wheel? If they must learn some requisites from their own progressive experience (such as confidence, perhaps), can they not also learn much useful knowledge from the accumulated experience of countless executives before them? And from scholars and analysts of executive behavior? If such vicarious learning can serve as a valid substitute for some learning directly from work experience, much time and money can be saved.

In addition to foreshortening the learning time, is it not possible that vicarious experience, or education and training, may be better qualitatively and more nearly free from risk than one's own necessarily limited direct experience, at least for gaining some of the learning objectives. All segments or events in direct work experience are not equally productive of useful learning; there are great dull stretches and much repetition from which little is learned but perseverance. Training can select from among the tapes and replay only those segments of experience which seem richest in teaching potential. Trial and error learning, by definition, entails risk. When that which is being learned is the productive management of men and money and destructible physical assets, are there not some lessons which are best learned in the classroom or from laboratory simulation?

If so, what are they specifically—the learning objectives best achieved by training and other off-the-job activities? And specifically which training and which other activities are most productive of after-training improvements of performance on the job? What training is most effective if provided at what career stages? Of those training activities which are judged to be effective, which cost the least per unit of benefit?

Can cost/benefit analysis literally be applied to entire Executive Development programs, or to component activities such as training regimens, or assessment procedures? How is the criterion problem to be surmounted? Can the quality of management in an organization be graded? If so, can the causation of the assessed quality be distributed validly among the concurrent and preceding events? If Executive Development activities cannot be evaluated by controlled experiments as in scientific research, can they nevertheless be usefully sorted and assessed by less precise judgmental methods?

Not many answers to the foregoing questions will be found in this report. They are given expression here in order to intimate the nature of executive development problems, and the kinds of questions which those working on executive development have been confronting and seeking practical answers to over past decades, in both business and governmental organizations. These questions also insinuate the inherent difficulty of achieving even partial and gradual success, and should therefore condition the reader not to be too surprised at the degree of success thus far achieved in executive development in the Federal Service.

II. SCOPE AND PURPOSE

It is the mandate of the Murphy Commission (Commission on the Organization of the Government for the Conduct of Foreign Policy) to examine all parts and relationships in the entire Governmental complex which formulates and conducts American foreign policy, including the provisions for personnel administration in the Department of State and all other agencies with roles in the conduct of foreign affairs policy.

Within the field of Federal personnel management, personnel management at the executive level has been accorded increasing importance over recent years in all phases of Government, domestic and foreign. Recognition has been growing that those in the higher rungs of the career services must play quite critical roles in making our system of representative government work. They must provide both continuity of government operations and sensitive responsiveness to changes in policies and priorities determined by the elected leaders. They influence policy formulation by providing both data and arrays of program alternatives for achieving current goals. It is up to them to see that the gears of government mesh so that programs of action are implemented which authentically reflect current policy nuances. Because the role is important and demanding of rare qualifications, explicit attention is being given here to the development

and management of Federal executives across the government and specifically in the foreign affairs agencies.

The term, Federal Executive, is given no original definition in this report. It is used with the same meaning as in issuances by the U.S. Civil Service Commission (official manpower statistics and research findings would otherwise not be useful to us), namely: "... any full-time employee of the executive branch in grade 16, 17, or 18 of the General Schedule, or if under another salary system, one whose base salary equals or exceeds the beginning rate (now \$32,806) of grade 16. The definition ... does not imply that the employee must have managerial responsibilities, although the majority do."¹

Conceptually this definition may not be completely satisfying, but it is quite acceptable pragmatically. All at grade 16 and above are included as "executives" except a negligible number of solitary workers. Including nonmanagers as well as managers is rationalized by the fact that both at high levels have some ability to influence agency policies and programs and have a need to understand current policies, plans, and relationships. The same personnel and training provisions, accordingly, should fit both groups.

Applying this definition to the Foreign Service means we will be counting as executives all officers at levels FSO-2 and above.

In this report we will be giving some attention, in addition to the executives who have arrived, to those in the levels just below GS-16 and FSO-2 from which almost all executive vacancies are filled—the so-called feeder groups—because the assignment, development, and assessment of men and women at this stage is obviously important for executive development.

The purpose of this study is to propose practicable improvements in present provisions and strategies for developing executives for the foreign policy agencies. While the scope includes all steps from recruitment to separation, main emphasis will be on education and training of foreign affairs executives.

III. EARLY ACTIONS AND INFLUENCES

Starting with Harvard should raise no eyebrows. The Advanced Management program was started there in the School of Business headed by Dr. Donald K. David, for the deliberate purpose of quickly producing executives to meet wartime needs, particularly in industrial production and logistics, but also for the Government, military and civilian.

¹Executive Manpower in the Federal Service, U.S. Civil Service Commission, June 1974.

Word-of-mouth ascriptions and systematic follow-up evaluations² gave the 13-week residential course a good reputation. In less than ten years, no fewer than thirty-five American colleges and universities were offering executive training courses (typically called conferences or seminars) of several weeks' duration, usually during summer months, attracting mainly men from business but a significant minority also from government. Methods used at Harvard, particularly the Harvard Case Method, became widely influential both in this country and abroad. In the late forties Lawrence Appley inaugurated the to-be famous American Management Association four-week Management Course, which generated many spin-offs, and today is alive and well in New York City. The University of Chicago in the early '50s started a program specifically for federal executives, which ran for a decade on the midway with wide agency support before transferring to the University of Wisconsin, Milwaukee campus, where it thrives today.

Meanwhile, in 1947, the Administrative Staff College, supported by British industry, got started at Henley, with Noel Hall as Principal, providing a three-month residential development program for budding executives throughout the Commonwealth—with signal and continuing success. Henley has been widely influential. Schools modeled after it, using its notable syndicate method and drawing on Henley for consultants and faculty, were established in most English speaking countries during the '50s and '60s.

Significant, if unsynchronized, steps were taken in the Federal Service in the middle and late '40's. The Foreign Service Act of 1946 was passed, assuring not only survival of the Foreign Service Corps but also providing a sound basis for continuing career development; it provided for entrance by competitive examination, rotation of Foreign Service Officers, a procedure for promotion-up and selection-out, a Foreign Service Reserve for short-term specialists, a Foreign Service Institute for training State Department employees and employees of other foreign affairs agencies, and indeed any other Federal employees who might need training in foreign policy or foreign languages. The Board of the Foreign Service was given responsibility for continuous attention to the growth needs of the service and to coordination of its activities with the needs of the Department and other Government agencies. The Board of Examiners was provided by law, as was a permanent career position of Director General of the Foreign Service—assuring continuous interested and informed direction. Even before

²See particularly Kenneth Andrews, *Effectiveness of University Development Programs*. Harvard Business School, Division of Research. 1966.

1946, the Foreign Service had a well-established tradition of career development and advancement based on performance; Presidents had ordered that Foreign Service Officers be considered not only for Ambassadorial posts but for even higher appointive posts; early American history had provided giant foreign service heroes—Franklin and Jefferson, no less.

This much is said here about the Foreign Service in 1946 to call attention to the fact that thirty years ago, when Federal Executive Development was generally just beginning, the State Department seemed already equipped with the main ingredients needed to develop leaders among its career employees; adversities were to come, however, which would damage Foreign Service careers and stunt the development of the Foreign Service Institute.

In 1949 an event occurred which may not have seemed portentous at the time. The Classification Act of 1949 was passed, containing a revised grade and salary plan which included the so-called supergrades, GS-16, 17 and 18. The main purpose of these three new grades was to relieve the many-layered compression that had gradually built up at the grade GS-15. Over the years following, however, the supergrades have given a significant though perhaps specious tangibility or visibility to the leadership levels of the Federal Service; they make it easier to sustain efforts to improve personnel management at the executive level.

In 1949 the Administrative Assistant Secretary of the Navy requested the Navy Department's Management Engineer to visit the board rooms of twenty or thirty large American corporations (many of them suppliers to the Navy), to find out what kinds of management strategies and management improvement efforts were being supported and what kinds were believed to be paying off. The Management Engineer reported almost all of the companies had established executive development programs, featuring prediction of future needs, inventorying present manpower assets, planned sequences of assignments, and periodic reassessment as to promotability. This was the era of top-down relatively mechanical systems, with secret personnel charts in the President's safe showing readiness for promotion to all key positions, by means of many colored boxes with different colors keyed to different degrees of estimated readiness.

The influence of big business experience on Federal executive development efforts was strong, particularly during both Eisenhower Administrations, but it was joined and moderated by influence from military experience and by concepts from many academic disciplines. The psychological sciences focused on assessment, interpersonal skills, humanized organization development, and the phenomenon of leadership itself; economics brought

both concepts and methods for training executives in systematic approaches to resource allocation; schools of Business Administration brought management science approaches for improving all facets of administrative management; schools of Public Administration and Political Science brought improved understanding of governmental functions, organizations and roles.

It was Dr. George A. Graham, then head of Princeton's School of Government, who led in developing the concept of "The Senior Civil Service," which as a recommendation put forward by the second Hoover Commission in 1955, never gained Congressional acceptance but did stimulate great interest and thought about how best to manage public personnel at top career levels.* It can be noted that the Senior Civil Service (with its Board to keep entrance standards high, rank-in-person, wide assignability to executive roles in different programs) would have had at the Government-wide level many similarities to the Foreign Service career system as it actually was operating at executive levels.

IV. THE QUEST FOR A "FEDERAL STAFF COLLEGE"

Stimulated in part by the widely admired Administrative Staff College in Britain, several groups began planning a corresponding American institution. In 1952 a Committee of the Society for Personnel Administration, chaired by Dr. O. Glenn Stahl, prepared and published a report describing a thoroughly worked out Staff College design. Subsequently, a small group meeting at the Brookings Institution developed a proposal made to the Ford Foundation for funds to develop some experimental training steps intended to lead toward a Federal Staff College; and a grant was approved. The Brookings Conference Program for Federal Executives held its first session in 1957, in restored Colonial Williamsburg, Virginia, and this distinguished ground-breaking training program has continued. During the early years most of the Federal executives sent by their agencies were participating for the first time in their careers in any kind of formal executive training.

A major milestone came with passage of the Government Employees Training Act of 1958, which had been drafted and redrafted and steadily pressed by the Civil Service Commission, and advocated by the major foundations and associations in support of good government. It was effective legislation. It authorized the Secretaries of all De-

partments and heads of independent agencies to fund employee training they deemed necessary from their agencies general appropriations, within certain limits; and instructed the Civil Service Commission to issue regulations, make reports to the President and the Congress, to foster agency training under the Act, to promote interagency training, combining agency resources toward common training objectives, thus obviating duplicating investments.

Soon after the Training Act, the Commission went seriously to work to upgrade employee development across the Government. It soon created an Office of Career Development, reporting to the Executive Director, and gave it these early priority objectives: (1) establish a Career Executive Roster, to widen the feeder group and promote interagency mobility, (2) create a staff college for executives, (3) establish appropriate executive feeder group training programs, short-term interagency and long-term mid-career education on university campuses, and (4) promote executive development programs in all Federal Departments and agencies.

Some of these objectives were accomplished rather promptly. A Career Executive Roster was established in 1960, containing relevant career data on all careerists in the supergrades, which was used for research and for interagency placement efforts. Mobility was the watchword. Like the Grail or the White Whale, interagency mobility (as it appeared in the vision of the Senior Civil Service) was pursued year after year, incessantly and compulsively, but never with much success. If the range of those considered for executive vacancies has widened at all, it has been quite marginal; still the quest continues.

While attempting to design a viable Senior Staff College in the early '60s, the Commission's thrust was deflected to the training needs of the strata just below the supergrades, and successful plans for the Executive Seminar Centers, targeted at grades 14 and 15, were produced. The Executive Seminar Center at Kings Point, Long Island, was inaugurated in 1963, offering a cafeteria choice from a curriculum of ten different two-week residential seminars, twenty intense weeks of programming in all, intended at the time to cover all areas of training needed in common by Federal managers as they are about to reach the executive level. After trial and evaluation at Kings Point, replicating ESCs were established first at Berkeley on the West Coast and then at Oak Ridge in the Southeast—the locations chosen in part because of the geographical distribution of Federal middle managers.

Taking a comparative look at the contemporary activities of the Foreign Service Institute, that school for foreign affairs careerists had been lifted up from near-extinction after the know-nothing at-

*See the Annex to this paper entitled "Two Main Efforts to Establish a Central System for Managing Federal Executives."

tacks of the McCarthy period by strong reclamation efforts by the Wriston Committee in 1954, strengthening its organization location and its advisory committee. Nevertheless, the Herter Commission and the Perkins Committee in 1963 both perceived the FSI as falling far short of its demanding role of meeting the continuing education needs of the New Diplomacy. Both would have abolished the FSI and replaced it with a National Foreign Service Academy, serving all foreign affairs training needs, with a distinguished academic director and faculty, doing research as well as teaching with a degree of academic freedom approaching autonomy in relation to both the Secretary of State and the Congress. Its overreach for autonomy led to the downfall of the Perkins' proposal in the Senate, and the resulting melee also tripped up the Herter entry before its considerable merits could gain the consideration they seemed to deserve. The FSI had to lift itself, incrementally, rising first on its strong foreign language leg, then its area studies, then its three career-stage training courses for FSOs. The FSI never lacked blueprints or designs by others, nor did it lack ideas of its own for expansion more nearly to fill its statutory role; what it did not have was enough resources and enough dependable Departmental support. It had begun, however, to free itself from complete financial dependency upon annual appropriated funds, by recouping costs in the form of tuition payments from user agencies other than State. The reimbursable funding method may yet prove to be a significant factor in FSI's support as it has in the Civil Service Commission's inter-agency training centers.

In 1968, after several earlier efforts had aborted, the Civil Service Commission, with explicit Presidential approval (actually in the form of a Presidential "request") established a residential "staff college" for supergrade careerists, adjacent to the University of Virginia, in Charlottesville. The Federal Executive Institute is reimbursable. Its Director and faculty of about 20 are all at least biprofessional: they all have PhD's, from a wide variety of universities (mainly in Political Science, Public Administration, Economics and other Social Sciences), and all have been practitioners of public administration at one or more levels of government. Faculty turnover is built in, with the Director serving no more than five years (the first FEI Director, Frank Sherwood was replaced in 1973 by Chester Newland), and faculty members' tenure averaging considerably less than five years; the aim is faculty refreshment or renewal. Collaborative linkages and faculty exchanges are maintained, not only with the University of Virginia and other American universities but also with staff colleges in other countries, notably England, Canada, and Australia.

V. FOSTERING AGENCY EXECUTIVE DEVELOPMENT PROGRAMS

Some Federal agencies made determined efforts to set up executive development programs during the '50s. The Veterans Administration is one example. With the help of a major consulting firm, VA succeeded in establishing a program which served the VA well and helped earn it a reputation as a well-managed agency for many years. The U.S. Forest Service was one of the earliest to start and sustain a successful career system including the executive levels. The Tennessee Valley Authority and the Internal Revenue Service deserve mention among the pioneers.

The Civil Service Commission employed a top consultant on executive development in the early '50s, and almost continuously since that time has offered encouragement and technical assistance. But there have been peaks and valleys of emphasis. The White House took a strong hand in 1960, when Eugene Lyons, recently from Merck Chemical, was Presidential Assistant for Personnel Management. Executive development guidelines were supplied and all agencies were required to set up programs and to send copies of their plans to the Civil Service Commission. But the roots of most agency programs failed to catch hold. It became noticeable that independent agencies with homogeneous missions and strong bureaus within large holding company-type departments could more frequently make an executive development program work usefully than conglomerate departments could, such as Treasury, Commerce or Interior. The latter had delegated personnel management so completely to major bureaus that they had neither the central staff resources nor the kind of well-grooved relationships with their components to make agency-wide executive development seem compatible with their general style of management. Executive development, even with White House support, hardly carried enough weight to bring about reorganization of Cabinet Departments.

VI. THE NUMBER OF FEDERAL EXECUTIVES

Unless other sources are cited, the statistics used here are drawn from two reports: (1) the Civil Service Commission's "Executive Manpower in the Federal Service, 1974," and (2) the State Department's "Summary of Employment, December 31, 1974."

Executive level positions (GS-16 up and equivalents) come into existence as a result of a number of different authorities which need not be inven-

toried for our present purposes. All such positions, by all authorities, came to 10,766 in 1973. There were on top of these an additional 608 appointive positions under the Executive Schedule, levels I to V. The latter range from Departmental Secretaries at Level I to large bureau Directors at Level V.

For convenience the 10,766 will be called the "supergrades." Of these, about 7,000 come under the purview of the Civil Service Commission (and may or may not be excepted by the Commission from competitive appointment requirements), and more than 3,000 do not. The differential application of various personnel statutes upon the several categories of executives created by different authorities results in an arcane complexity, which can be kept straight only by specialists.

The 3,000 supergrades not under Commission purview include those belonging to the Foreign Service (FSO, FSR, and FSRU) but not the 80 or so GS-16, 17, 18 positions still used in State, USIA and AID.

Although the 7,000 are widely distributed among agencies and parts of the country, about 75 percent work in the Washington, D. C. area and about 70 percent are concentrated in 14 major departments and agencies, as shown in Table A.

It is estimated that the Foreign Service (State, USIA, AID), counting all categories of personnel, has more than 2,000 supergrade equivalents, almost half of whom are stationed in Washington. A number of additional supergrades, perhaps several hundred, not in the Foreign Service are working on foreign affairs programs in the Department of Defense and in more than twenty domestic agencies.

Only two points will be made from the foregoing statistics, and these perhaps could have been

posited on common knowledge: (1) the concentration of executives in the Washington area, both those not concerned mainly with foreign affairs and those so concerned, is so great and the spread of the remainder so wide and thin that aggregation of Federal executives for training is highly practicable in the environs of Washington, and hardly anywhere else; (2) the number of executives concerned mainly with foreign affairs is more than 20 percent of all Federal executives—more than in the entire Defense complex and many more than in the largest domestic Departments. The latter point simply correlates with the conclusion that development of foreign affairs executives deserves a significant fraction of the total Federal executive development budget. They are more than one out of five!

It may be useful to look at one other set of relationships: that of feeder groups (FSO-3 and GS-15) to the first-level executive groups (FSO-2 and GS-16).

In the State Department in December, 1974, there were approximately 495 Foreign Service employees at the FSO/R/RU-2 level, compared with 870 at the FSO/R/RU-3 level—fewer than two in the feeder group for every one in the next higher group.

Among the 7,000 supergrades under the Civil Service Commission's purview, an estimated ³ 4350 were at the grade 16 and equivalent level in 1974, compared to about 26,000 at grade 15 and equivalent—almost six in the feeder group for every position in the next higher group. The gross ratio of 6:1, in a rank-in-position system, does not tell very much about adequacy of supply, because selections for promotion are almost always made from within the same occupational group; and occupational groups are distributed differently above than they are below the supergrade threshold. Table B, taken from "Executive Manpower in the Federal Service 1974," shows how the 7,000 supergrades are distributed by occupational group.

Some of the occupational groups in Table B are reasonably homogeneous, such as Personnel and Legal, and permit some analysis of comparative sizes of feeder groups and of real promotion opportunities,* group-by-group. The Civil Service Commission has been reporting this kind of analysis from time to time. It did so in 1973 (1972 data), but

³In today's wonderland of compressed salary levels, Public Law positions formerly differentiated as to level only by salary differences are now largely indistinguishable, nearly all being paid \$36,000 per annum. It is, therefore, impossible to count executives by the levels at which they actually operate.

*"Real promotion opportunities" in a given year means the number of vacancies, by actual count, for which feeder group members were or could reasonably have been considered during that year.

TABLE A.—AGENCIES WITH MORE THAN 100 EXECUTIVE POSITIONS (GS AND PL) UNDER C.S.C. PURVIEW AS OF 31 DECEMBER 1973

<i>Agency</i>	<i>Executive Positions</i>
Defense	1562
HEW	637
Commerce	463
Transportation	404
Treasury	304
Agriculture	282
Interior	268
Justice	226
NASA	221
Labor	155
NLRB	148
EPA	127
HUD	123
ICC	117
Total	5037

252

TABLE B.—EXECUTIVE POSITIONS BY OCCUPATIONAL GROUPS AS OF DECEMBER 31, 1973

<i>Occupational Group</i>	<i>Percent</i>
I. General Schedule Positions	
01 Social Sciences	4.0
02 Personnel	2.0
03 Administration	24.5
04 Biological Sciences	3.3
05 Fiscal	4.6
06 Health and Medicine	3.0
08 Engineering	9.9
09 Legal	14.4
10 Information and Art	.9
11 Business and Industry	1.8
13 Physical Sciences	12.9
15 Mathematics and Statistics	2.5
17 Education	1.0
20 Supply	.2
21 Transportation	.6
— Other Occupations	<u>3.5</u>
Subtotal GS Positions	89.1
II. Public Law Positions (Almost All Scientific and Engineering)	<u>10.9</u>
Total	100.0

not in 1974. The data shown here in Table C are taken from the Commission's publication "Executive Manpower in the Federal Service, 1973."

It can be read from Table C that ratios of GS-15 to GS-16-18 vary from 2.5 to 1 for Legal positions to 15 to 1 for Supply positions; and that ratios of feeder group numbers to real promotion opportunities (during 1972) also varied widely from occupation to occupation. For Legal positions, there

TABLE C.—REAL OPPORTUNITIES FOR PROMOTION FOR FEEDER GROUP EMPLOYEES BY OCCUPATIONAL GROUP, IN FISCAL YEAR 1972

<i>Occupational Group</i>	<i>Ratio of GS-15 to GS 16/18 Positions</i>	<i>Ratio of GS-15 to GS 16/18 Real Opportunities</i>
01 Social Science	5.4:1	49:1
02 Personnel	4.8:1	46:1
03 Administration	3.6:1	18:1
04 Biological Sci.	2.9:1	13:1
05 Fiscal	4.3:1	35:1
06 Health & Medicine	4.0:1	48:1
08 Engineering	6.5:1	167:1
09 Legal	2.5:1	15:1
10 Info. and Arts	4.7:1	40:1
11 Bus. and Industry	7.8:1	43:1
13 Physical Sci.	3.2:1	40:1
15 Math and Stat.	4.3:1	42:1
17 Education	4.8:1	57:1
20 Supply	15.0:1	98:1
21 Transportation	8.4:1	88:1
— Other Occupations	<u>4.8:1</u>	<u>52:1</u>
Total	4.1:1	30:1

were 15 in the feeder group for every real promotion opportunity, whereas for Supply there were 98 GS-15 positions for every real promotion opportunity.

Some of the occupational groups are so broad that they cannot be usefully compared with others, without further breakdown. Social Science, for example, includes 26 subgroups with members as diverse as Social Work and Monetary and Fiscal Economics, or Foreign Affairs and Social Insurance Administration.

These data, despite their coarseness, do serve to give some concreteness to feeder group/target group relationships. From these and other data, the Civil Service Commission generalizes that the "average grade 15 employee" has a 24 percent chance of joining the executive group before retirement; the chances in any particular year, however, are only about three percent.

These statistics help to understand why the great majority of supergrade positions (GS and Public Law) are filled from within the Government. In 1972, 88 percent were filled from inside. Bear in mind this includes both career and nonstatus positions; as a matter of fact, out of 266 vacancies filled in nonstatus executive positions in 1972, only 92, or 24%, were filled from outside.

Corresponding statistics for the Foreign Service are not at hand; still it can be perceived how significantly different the two situations are, in feeder group/target group relationships. For the civil service employee who reaches GS-15, chances of further advancement are meager; for the Foreign Service employee who reaches FSO/R/RU-3, the chances of further advancement are excellent. His chances are also many times better than a Colonel's chances of making Brigadier General or a Captain's of making Rear Admiral. The bright young prospect who chooses the Foreign Service over other public service may be influenced in part by illusory considerations; however, he does have some actuarial considerations clearly in his favor.

While no hard conclusions can be drawn from such comparisons, they do suggest areas for scrutiny. For promotions to FSO-2, does the feeder group provide wide enough range of choice? Is the elitism of the Foreign Service cadre (meaning real capacity to influence and coordinate much larger groups in foreign affairs activities) adequately hedged or insured? Would not continuous systematic search for a few outstanding lateral entrants at optimal career stages be more advantageous than irregular forced infusions, like the Wriston one? What implication does high rate of promotion from the feeder group to the executive group have with regard to the kind and amount of training to be provided the feeder group?

VII. TRAINING NEEDS OF FEDERAL EXECUTIVES

In informal discussion, "training needs" are usually equated with faults or deficiencies in knowledge or performance. In a more functional or business-like sense, a "training need" takes the form of a two-part hypothesis: If skill or subject matter X can be taught to certain employees, management improvement X¹ will result, the value of which will be greater than the training cost. If careerists in the management core can be helped to learn more about the operation of Congressional committees with purview of the State Department, they will be more effective in getting resources for programs of the Department.

When management endorses such a hypothesis, they may be said to have "determined a training need," which they may or may not act upon, depending upon alternative management improvement strategies they have to choose among. With this definition of "training need," it can be seen that training needs are rather subjective, or judgmental.

In earlier years there was some tendency, both in business and in public service, to emphasize certain prescriptions to the exclusion of others, as if there could be a panacea. These enthusiasms took the form of, "All executives should learn (*supply panacea here*)"!! For example: "All executives should learn speed-reading"; "All executives should learn rational decision-making procedures"; "All executives should learn the concepts and methods of organization development"; etc.

In the course of time, an almost general consensus has taken hold in the Federal Service with regard to what is the inclusive continuing pattern of executive learning requirements, at least in a most general or abstract form,⁴ as outlined below:

- I. Environment of Executive Performance
 - A. External Environment of Administration
 - 1. Social, Political and Governmental Forces
 - 2. Public Policies and Missions
 - B. Internal Organization Environment of Administration
 - 1. Administrative Organization, Processes, and Behavior
 - 2. Alternative Organization and Management Models and Analysis
- II. Managerial Systems and Processes
 - A. Administrative Management
 - 1. Financial Management
 - 2. Manpower Management

⁴"Task Force on Managerial and Executive Training Systems," Task Force Report, U.S. Civil Service Commission, September 1973.

- 3. Property Management
- B. Program and Project Management
 - 1. Planning and Objective Setting
 - 2. Resourcing and Implementing
 - 3. Tracking and Evaluating

- III. Personal Executive Skills
 - A. Self-assessment and Self-renewal
 - B. Leadership Skills
 - C. Communicating Skills
 - D. Counseling and Coaching Skills
 - E. Organization Development Skills

Such a basic outline of curriculum areas as the foregoing one permits executive training planners to move ahead with setting priorities, assigning areas of particular needs to particular training sources, deciding which training needs peak at different career stages, etc.

Since 1971, the Office of Management and Budget and the Civil Service Commission, sometimes in concert and sometimes singly, have maintained a high priority campaign to improve Federal management by, among other thrusts, improving the development of managers and executives. While agreed upon a basic family of needs, similar to the outline shown here, OMB has given particular encouragement to the teaching of hard-nosed management subjects (II.B. Program and Project Management, in the outline above), such as program planning, budgeting, assigning and scheduling work, following up, evaluating progress, and accounting for resources.

But OMB has also emphasized the importance of attitudinal factors, particularly the importance of the professional transitioning into management duties to identify quickly with the manager's role, to accept the responsibility and accountability inherent in the new role. OMB would like to drive home, to inculcate into the credo of every advancing careerist that his job is to increase governmental productivity, to produce more and still more units of public service for the same budgetary investment, or to produce a constant level of service at steadily decreasing cost.

Consistently with the Administration's emphasis on decentralization and delegation of program management to state and local governments, OMB and the Civil Service Commission have been stressing the needs that surface in intergovernmental relationships, such as grant management, goal setting, establishing standards and criteria, tracking, evaluation, and reprogramming.

Both OMB and the Civil Service Commission have been and are still emphasizing the importance of making management and executive training more systematic, making it come at optimal stages, but also keeping it flexible as it applies to and fits individual managers. The new manager and the

new executive, stimulated to perceive and cherish his new role, with the authority and responsibility it carries, is encouraged to plan systematically his own future development as a public executive, in partnership with his organization.

"Manager" and "Executive" are hero-words in industry; they are less so in government. Most public executives started their careers as lawyers, scientists, engineers, economists, educators, medical doctors, or in other such professions and specializations. Their peers in such professions continue to honor *professional* achievements above achievements in administrative leadership. Yet superb administrative leadership is certainly required to make governmental programs actually yield the results intended, at tolerable costs.

If identification with management comes hard for public careerists in general, it perhaps comes harder still in the State Department. Yet there are quite strong voices in State that have been calling attention forcefully to State's need for more and better managers.⁵ The Inspector General of the Foreign Service has cited this need and the FSI has been sensitive and responsive to it. The Country Director Program is a good current exemplification: a bright and experienced careerist can be a good reporter, analyst, negotiator, representative of the Department, even surrogate for the President, yet not have all the integrative ability needed to be a good Country Director!

Most public executives, because of power sources involved which do not come within their direct control, must become adept in skills and tactics for successfully influencing outcomes being wrought mainly by individuals from other organizations. This is particularly true of responsible officers in the Foreign Service. As Ambassador, as Mission Director, as U.S. representative on an international task force, as chairman of an interagency policy coordinating committee in Washington—in these and many other such complex roles, the Foreign Service Officer must persist and prevail in bringing off acceptable consequences which must be the collaborative product of a team, most of whose members are not employees of the State Department. Many—perhaps most—important American programs overseas are interagency in funding and staffing, but State usually has inherent responsibility for policy coordination and implementation. The interagency format is complex at best, often involving invisible agenda reflecting agency differences in style, if not substance, and often complicated unnecessarily by lack of practice with the format and lack among the team of mutual understanding and confidence. The training need im-

⁵For example, William Macomber: not only in *Diplomacy for the '70's*, but also in discussions in 1975.

plied here will not be easy to require. Attention must be turned to it, however, when proposals for improvement are being considered.

VIII. PRESENT POLICIES, PROGRAMS, AND RESOURCES

Two powerful statutes have been cited: the Government Employees Training Act of 1958, and the Foreign Service Act of 1946, as amended. OMB, CSC, and State are organized, funded, staffed, and programmed in accordance with the directions and constraints of these laws, as they continuously seek to improve executive development.

As agent and auditor for the Congress, the Comptroller General of the United States makes assessments periodically of the Executive Branch's implementation of the laws named above. In 1973 the Comptroller General made a report to the Congress on the extent to which foreign language training is being supplied for U.S. personnel assigned overseas. The Comptroller General surveyed and endorsed the interagency language training being done by the FSI, but admonished that much more needed to be done by FSI; and that the CSC and State take more effective steps to eliminate other government schools giving duplicative training in foreign languages, and thus wasting government funds.⁶ The Comptroller General has not been satisfied with the corrective action thus far taken, and, in February, 1975, informed State and CSC that a follow-up inspection would be made this spring.

In somewhat similar vein, and also in order to obviate unnecessary duplicating investments for similar training objectives, the House Post Office and Civil Service Committee has endorsed widespread interagency training conducted by the CSC itself and conducted by other agencies with CSC support; but also admonished the CSC to foster more such interagency training where appropriate, and to take stronger initiative in finding and eliminating unnecessary duplicative expenditures being made for similar training objectives.

The current campaign by the central staff agencies (OMB, CSC, and GAO) to stimulate executive development in all Departments and independent agencies was kicked off when Bernard Rosen, Executive Director of CSC, issued FPM Letter 412-1, the *Guidelines for Executive Development in the Federal Service*, October 8, 1971.

During the following year, most agencies either developed from scratch or revised their written policies and plans for executive development, but

⁶"Need to Improve Language Training Programs for U.S. Government Personnel Overseas," B1760 49, Comptroller General of the United States, January 22, 1973.

did not show enough action implementing these plans to satisfy assessors in OMB and CSC; those agencies, consequently, took three separate actions intended as stimuli to faster agency action:

a) Twelve agencies were picked out to make special efforts in 1974 to form a kind of demonstration wave, to be followed by other agencies.

b) OMB issued a requirement that all agencies report on resource allocations contained in FY-75 budget requests that are intended to finance executive and management development efforts.

c) An interagency demonstration project was established, called the Government-wide Federal Executive Development Program (FEDP) for twenty-five GS-15s with executive potential. (FEDP is a year-long program, involving other-agency assignments with several kinds of training interpolated, including seven weeks at FEI; it is now in its second year.)

Additional guidance and pressure were applied in 1974. A CSC issuance required agencies, on a specified time schedule, to identify all their managerial positions, specify the knowledge and ability requirements for each managerial position, identify all newly selected managers, identify all current managers selected for another managerial position, assess managerial knowledges and abilities, prepare individual development plans, implement an operational "high potential" identification system, and prepare individual development plans for high potentials.

Meanwhile, the CSC reviewed and significantly augmented its curricula and facilities for providing interagency training for managers and executives in anticipation of increased agency requests. Such requests did increase in FY 74 and again in FY 75. In FY 1975, over 160,000 public employees (including 20,000 state/local employees) will have participated in the CSC's interagency reimbursable training nationwide, most of it on management subjects. Of particular note is a newly developed and carefully piloted three-week residential course for "new managers" (to get them started right, and running), now given at the three Executive Seminar Centers; and an analogous three-week course for "new executives," now given at the Federal Executive Institute in Charlottesville. The CSC also provides a course for agency staff people on how to establish and administer an agency executive development program.

As of spring 1975, there are signs of increased agency action—but less than sought by the central agencies, and way behind schedule; so more prodding is now going on. In March all Assistant Secretaries for Administration and agency Executive Officers were called into a meeting with top OMB and CSC officials to review progress in agency executive development programs; but also to try to

convince cynical agency representatives that the departure of Roy Ash and Fred Malek had not reduced the priority being placed on Executive Development.

Meantime, a one-two program of agency visitations is being waged by OMB and CSC. Chairman Hampton, accompanied by the CSC Executive Director and the Director of the Bureau of Executive Manpower, during the spring has been visiting Departmental Under Secretaries and their top staff, stressing you know what: executive development. Concurrently, OMB staff members have been visiting—not at top agency levels, but at the level of the big bureaus, such as Internal Revenue Service, Bureau of Reclamation, etc., trying pragmatically to get more action where they know it to be easier.

The CSC has also created a new "Executive Manpower Management Technical Assistance Center," which both gives assistance in person and also spins out a series of technical assistance papers.

How has the State Department been affected by this flood of intendedly provocative events? Because of Foreign Service uniqueness, the relevance of the Government-wide push has been somewhat equivocal. Outside the Foreign Service Corps, State does not have many executives; within the Foreign Service personnel system, State already has ingredients corresponding somewhat to those being prescribed in the Government-wide system. State, therefore, has not sustained the main thrust straight-on, but has taken it tangentially as a kind of glancing blow. And the program advocates in OMB and CSC are not too concerned about perfunctory responses from State; they had other targets in their sights anyway.

This is not to say that State has not been doing its best, by its own lights, to improve career development in the Foreign Service, including the development of managers and executives. It is true, however, that State has not done much effectively to improve career development for foreign affairs personnel in other categories either in State or in other agencies. Part of this nonfeasance was reported somewhat undiplomatically by a CSC personnel program evaluation team, only a few months ago.

The State Department had already internalized more good recommendations than it could possibly digest, literally. The Macomber Report, *Diplomacy for the '70's*, had laid on 500 proposals for self-improvement, accepting hundreds from earlier reform recommendations (Herter and Crockett particularly) and adding scores of its own.

State has probably striven longer and harder than any other civilian agency to make the personnel functions of assignment, counseling, and training fuse together to produce rational assignment sequences for FSOs. For the Foreign Service, the Department has made reasonably good use of long-

term training for development of talented FSOs. If State is now allocating about 35 man years to long-term, mid-career education aimed at executive development, it is doing as much as any other Cabinet-level Department.

Let us look quickly at what is being done with the Foreign Service Institute, now grown into a sizeable and an important school, both for State and for related agencies. FSI's 1974 budget was about \$11,500,000, including student expenses (salaries, allowances, per diem, etc.) of \$4,300,000. Setting aside such student expenses, the proportion of the budget now funded by tuition payments from other agencies is substantial: \$3,039,265, or about 45 percent of gross instructional costs.

In 1974 total enrollment was 12,463, with about half in language studies (half from State and half from other agencies), about one-fourth in "Professional Studies" described as "General career training for junior and mid-level officers in the Department of State, and, as appropriate, for officers of other Government agencies concerned with foreign affairs . . . Intensive functional specialization for all categories of Foreign Service personnel . . . Suitable orientation for the wives of Foreign Service and other agency officials with extended overseas assignments." Included in Professional Studies is a subcategory called Administrative Training, which is being steadily strengthened, and a subcategory called Executive Development, which contains four courses: one 7½ day Seminar for Deputy Chiefs of Mission, and three for supervisors and mid-managers, who are not yet executives but may be on their way. Included here also is the well-reputed twenty-six-week Economics course, and several short specialized Economics courses.

Other major components of the academic program are the Senior Seminar in Foreign Policy (ten months, given annually for 25 participants, two-thirds from State, intended for executive level, actual range FSO-3-2, GS-14-17, Colonel-Navy Captain); the Foreign Affairs Executive Seminar (three-week course on formulation, coordination, and execution of U.S. foreign policy; classes of 60, given 6 times a year, FSO-3s and -4s and equivalents admitted though said to be for "senior foreign affairs officials"); and Area and Country Studies; and the Office of Academic Relations, which selects and arranges for enrollment of FSI-sponsored students in university advanced courses and handles overall FSI relations with the academic community.

The foregoing thumbnail does not come even close to being a complete or balanced exposition of the FSI's programs and accomplishments. It is enough, however, to provide some basis for discussing areas of opportunity not yet given enough priority by the Department and not yet fully filled in by the FSI.

The superb language school is still the dominant component in FSI, whether in terms of enrollment, worldwide reach, instructional costs, total budget, number of agencies served, or customer reaction. A recent evaluation of the language program, done by a qualified academic team set up by the FSI Advisory Board (subsequent to the GAO Report in 1973), concluded that there is no better school of languages anywhere. At the same time, it pointed to improvement opportunities and problem areas: for example, the language faculty is static with no strategy for renewal, the splendid language laboratory is under-used, professional relations with universities and other language schools are languishing. In short, the inspiring leadership role FSI has had in language training can no longer be viewed with equanimity; past accomplishments cannot keep leadership from slipping away. No institution is in a better strategic position for leading toward the great prospect that language training can be augmented into significantly improved cross-cultural communications, by fruitful collaboration with area studies and other disciplines.

The State Department needs to have earned and to continue to carry high the reputation for caring more and knowing more and doing more about the improvement of intercultural communications than any other source in the world.

If language training leadership is in doubt, no other curriculum area within the FSI has yet approached the leadership status achieved earlier by the School of Language Studies.

IX. COMPARISON OF NEEDS AND RESOURCES

Executive Development Government-wide

The campaigns being waged by the central agencies for strengthening executive development in the Federal Service have been recounted in some detail; also the spotty and faltering progress being made at the agency level. So far, the influence of Watergate has not been mentioned here. That influence has been significant and it has been negative; it has made agencies harder to convince of the credibility of central support for management improvement efforts of all kinds, particularly executive development. Short-term, Watergate has been handicapping, to say the least.

Another perhaps short-term condition that has been and continues to be damaging is the severe compression of salaries so that the top three grades of difficulty and responsibility are almost all paid

the same salary, and that salary amount has not been adjusted for cost-of-living increases for six years. The three levels that have been pressed together correspond to executive levels in industry where differentials become wider, not narrower, because the differential contributions to company success that can be made at successive levels of leadership become greater, not smaller. In the Federal Service, currently, the salary factor combines with a liberal retirement-annuity system to create a powerful economic-psychological motivation for early retirement of careerists whose development to executive levels has been expensive and whose loss to the government in their prime is more costly, and not really purposeful. Much is said about pressuring borderline executives to retire when they reach the optional age. Actually, the careerists who go highest in the Government by the time they reach fifty-five are the ones who feel the strongest economic motivation to move into other income-producing and gratification-winning activities. This inadvertent ejection dynamic may very well be profligating any benefits being obtained purposefully through executive development.

There is an optimistic view that the long-term effect of Watergate can be made quite positive, because of the attention it draws to the value of competence and continuity and nonpartisanship in government operations, like tax collecting, law enforcement, utility regulation, defense, and the rest. If this hopeful view has validity at any time, that time must be now.

Among the executive personnel management functions, training is one in which solid advances have been made in the last ten years in Government—in terms of priority, investments, and program accomplishments; this success needs to be built upon continuously. The great inherent obstacle to continuous career system improvement is the rapid turnover in the appointive positions at policy and goal-setting levels, since short tenure almost forces officials to concentrate their efforts on goals attainable in short term. And executive development is not one of these.

Executive Development in the Foreign Service

The State Department's responsibility for coordination of foreign policy formulation and administration is a great overarching responsibility. Meeting this responsibility fully has never been achieved. The multitudinous efforts to improve organization for foreign policy are one of the symptoms. It has been pretty well demonstrated that success cannot be achieved simply by assignment of

leadership. It has to be achieved and retained by superior staff performance in foreign policy and program administration. The State Department must continuously be able to discern in advance and with accuracy what and where in the Nation the top talents are for confronting and resolving each successive set of epochal problems. Its staff cannot in itself possess all disciplines, all specializations required. It must draw the best from where they are; it must be endlessly resourceful in foreign affairs teambuilding, administrative strategies, and in creating specially designed configurations of talent. It must lead, not withdraw in attempt for cadre security.

Elitism, in the pejorative sense, is sometimes imputed to the Foreign Service. Actually, the Foreign Service must be more elite, less aloof.

The elite are the nucleus within the greater organization which sets directions and exercises influence beyond its size on the basis of its unflagging dedication, high standards of performance, and ability to renew itself by attracting and engaging the best.

The foregoing generalizations will come down to earth in this paper mainly in two kinds of suggestions or proposals. (1) Much more recruiting of professionals at levels where accomplishments have been scored and can be taken into account, not just promise inferred from college work. The present cadre includes much talent in relation to the numbers in its feeder groups, but those numbers are miniscule in relation to the great demands of the world upon the foreign affairs community. (2) The State Department, with its inherent leadership role in foreign affairs, has additionally, by wise statutes, been specifically assigned the teaching role in the entire government in relation to foreign affairs needs. This teaching role is just another facet or derivative of State's central mission. It is a way for doing its work!

The FSI has made a beginning, no more. The FSI is still an agency school that does some things on the side for other agencies. Most of its participants are still from State. It does not begin to measure up as the training institute of the foreign affairs sector of the government.

This conclusion is not new. Former FSI Directors have given this view to Secretaries in the past. The present Secretary has been given such a view by the present FSI Advisory Committee. Clear opportunity for greater leadership lies ahead by making much greater use of the interagency training strategy.

Regarding interagency training from the viewpoint of a using agency, State could gracefully move a few steps away from aloofness by making more systematic and much more frequent use of relevant interagency courses now readily available, particu-

larly those courses in management subjects which directly reflect priorities of the Administration as expressed by OMB and the CSC. State has thus far taken little interest, for example, in the course for New Managers (those entering managerial positions for the first time in their careers). This course has been evaluated favorably, after first year's use by a wide range of agencies. Such courses, attended by managers from other agencies, should have double value to State—a fortuitous opportunity for FSOs who have been out of the country to become quickly reacquainted with goings-on in other parts of government, as well as the manifest message of the course. *Diplomacy for the '70's* laid great emphasis on the need for State to build many bridges with other institutions; for this purpose, interagency training always available should be recognized by State as no less than a windfall.

X. IMPROVING DEVELOPMENT OF FOREIGN AFFAIRS EXECUTIVES

No Need for New Legislation

The Foreign Service Act of 1946, as amended, as it relates to the Foreign Service Institute, has proved valuable and still provides a quite adequate statutory base for further improvement in the FSI and for much stronger use and support of it by the leadership of the State Department.

The Law explicitly gives the FSI the assignment to develop and provide whatever (1) training in foreign policy may be needed in any agency involved in foreign affairs (not simply the State Department alone), and whatever (2) training in foreign languages may be needed by employees in any foreign affairs program.

Execution of the law by the Department, through the FSI, has been positive but thus far quite incomplete. Much stronger and more extensive implementation is needed even to approach the boundaries of the present mandate before giving serious consideration to new legislation.

What is needed now is a new determination by the Secretary to give the FSI new higher goals, strong support, and increased resources. The additional resources needed, while critical, are quite small in absolute terms.

Changes Needed in Policy and Strategy

In reaction to modest goals, or expectations by State, the FSI is responding with modest performance. Its limited successes have readied it for a

more important role in support of a prime responsibility of the State Department: the coordination of foreign policy as it relates to administration of foreign affairs programs in Washington and in all world areas. No assignment could be more difficult. Its difficulty and importance justify immediate employment of all relevant capacities available in the Department.

The FSI has such capacity now, based on law, its own trial-and-error improvement over time, its experienced and dedicated faculty and staff, and its favorable reputation among user agencies. Successful policy coordination depends heavily on common possession of national goals, uniform understanding of relevant information, and ability of key program representatives to communicate and negotiate and seek resourceful solutions uninhibited by agency chauvinism or other gratuitous handicaps. The FSI can supply such ingredients, in the form both of fuller understanding and actually practice in interagency collaboration, in a neutral and risk-free academic setting. This particular stroke can be delivered at this time in no other setting; no other organization has the mandate or the strategic position for bringing foreign affairs officers together willingly for executive development.

Recommendations for Immediate Action

1. The Secretary should instruct the Deputy Under Secretary for Management and the Board of the Foreign Service to elevate the role of the FSI as the main source of interagency training in foreign affairs policies.

2. The Board of the Foreign Service should establish new program goals for FSI in FY 1976 within the limits of current resources augmented by marginal increases in personnel ceiling and reimbursable budget allowances. The new goals will reflect:

a. More emphasis on *interagency training*, both in absolute and comparative terms.

b. More emphasis on *training in foreign policy*—goals, policy formulation, management of foreign programs, coordination among foreign affairs programs, foreign and domestic policy interdependencies.

c. Absolute increases in '76 over '75 in *language and area studies* (meeting other-agency needs, reimbursably), along with the comparative increase in foreign policy training.

3. Precipitate no immediate change in Directorship of the FSI. The present Director has sustained enough recommendations that he be supplanted by a new Socrates yet to be found *inter silvas academiae*.

Meanwhile he has been doing a creditable job with the goals and resources given him.

4. State should make more frequent use of relevant interagency training courses, particularly those for executives, managers, and emerging managers. The Government has already made significant investments in developing and evaluating these career courses. By participating, State can improve its image in the eyes of other agency representatives and serve its re-Americanization needs, while improving its managers.

5. In order steadily to improve the quality of Foreign Service personnel (such improvement must be unceasing if the leadership role is to be forever maintained), State must significantly widen the area of search. Present feeder groups are badly outnumbered. Security for the cadre should come from its excellence, not from closing its hatches to accomplished entrants.

Recommendations for Long-Range Action

1. The importance of FSI's mission and its requirements for conditions conducive to optimal learning call for improvements over present facilities. Steps should be taken toward acquiring a residential training facility, with speed compatible with careful planning.

(a) The FSI residential facility should be outside Washington, but within a fifty-mile radius.

(b) Appropriated funds should be sought to acquire or build it.

(c) The FSI Director with the help of his Advisory Committee should develop and present a plan for the new facility as part of FSI FY '76 objectives.

2. The funding of the FSI (not the new physical facility) should be made entirely reimbursable, with State Department participants also paying their share of costs, in form of tuition.

3. A revolving fund should be established to permit financial planning on a longer-term basis.

4. When the position of FSI Director does become vacant, the new Director should be sought nationwide, in an effort to find a person of distinguished attainments in foreign policy administration, both as an educator and as a practitioner. His professional and personal stature should be such as to evoke the trust and confidence needed to direct the FSI with the degree of freedom its mission requires.

5. The FSI faculty mix should be gradually modified to extend the range of sources from which it is recruited. More members should come from relevant graduate schools, and all should have already demonstrated unusual ability to work with experienced adult participants; some should come from other distinguished centers also engaged in the development of public executives.

6. The FSI should aggressively seek opportunities for cooperative and collaborative research and developmental projects with related governmental and private research and educational institutions, in order to obviate redundant investments, and improve quality by widening the perspective and experience base.

7. The name of the FSI should be changed just slightly: The Foreign Affairs Institute would better connote its intention to serve the training needs of the foreign affairs community. This small change is significant enough to justify the legislative revision it would require.

Two Main Efforts to Establish a Central System For Managing Federal Executives— The Career Executive Board, 1958-1959; and the Proposed Federal Executive Service, 1971

THE APPEAL OF THE SENIOR CIVIL SERVICE

When Chairman Hoover was asked by a journalist, after the Hoover Commission's Report was tendered, which single recommendation he himself valued most, he singled out the one to establish the Senior Civil Service. Indeed, it did stir much attention, have wide appeal. It came just when the importance of the Federal Executive role was beginning to be recognized, when the inevitability of "Big Government" was being accepted, grudgingly by many. It was clearly conceivable that better entrants could be picked, better appraisals and track records could be kept, better inducements and motivation could be used, executives of broader vision could be developed—if only a suitable central construct could be conceived and set up to manage the whole Federal Executive Suite.

There were also inherent problems that were to prove formidable, if not indomitable; but the appeal was strong. President Eisenhower was interested. He named a committee to advise him how tactically to go about actualizing the essence of the Senior Civil Service idea, and on the basis of their guidance issued Executive Order 10758, on March 4, 1958, creating the Career Executive Board.

THE SHORT SAD LIFE OF THE CAREER EXECUTIVE BOARD, 1958-1959

It was a five-member bipartisan Board, with its first (and last) members an exceedingly distinguished, sophisticated, and compatible group: Arthur S. Fleming, Chairman, James P. Mitchell, Frederick J. Lawton, Charles B. Stauffacher, James H. Taylor, and James E. Webb.

The objectives assigned the Board were quite clear and clearly derived from the Senior Civil Service recommendation:

1. Assure that career executives are people of highest quality.
2. Make the most effective use of career executives.

3. Assure retention of able career executives and secure for them a rewarding career.

4. Provide prestige through greater recognition of importance of Government career executives.

The Eligibles for membership would be GS-16s and up having "significant administrative or managerial characteristics." Each would have to be recommended by his agency head, approved by the CEB, and designated by the President to be a member of "the Career Executive Service." The Board's functions:

1. Receive nominations from agencies and recommend those approved to the President.
2. Maintain source and experience records.
3. Develop and obtain appraisals.
4. Assist in developing suitable training.
5. Recommend to CSC changes in position classification to permit greater flexibility in assignment.
6. Recommend steps to improve the system to the President through the CSC.

The Board went out of existence July 1, 1959 without having brought about the designation of the first member of the Career Executive Service. The Board Chairman had been advised informally by the Hill to hold up until the House Committee on Civil Service and Post Office could consider what to do about the Career Executive Board. They did then consider, and decided to put it out of business by cutting off money the employing agencies were using to pay the salaries of the Board members. Formal termination came when EO 10758 was revoked by EO 10858, February 5, 1960.

THE EFFORT FOR THE FEDERAL EXECUTIVE SERVICE, 1971

President Nixon made the proposal to the Congress, February 1971. It had been carefully developed by the CSC staff with wide agency participation; OMB gave strong endorsement expressed eloquently by Frank Carlucci.

The Federal Executive Service would include 7000 civilian executives with certain exceptions, in grades GS-16, GS-17, and GS-18 and equivalents in the Executive Branch. Agencies would annually review their executive manpower needs and request a specific number of executives. The CSC would review agency requests in collaboration with OMB and authorize the number of executives for each agency. The authorizations would be reported annually to Congress and become effective in 90 days.

Appointments to the Federal Executive Service would be in two categories: career and noncareer. Noncareer executives would be appointed and removed at the pleasure of the agency head; career appointments would require prior approval of a Qualifications Board. The aggregate Government-wide number of noncareer executives would be no more than 25% of the total FES.

Agency heads would set salaries of career and noncareer appointments within a range corresponding to GS-16 through GS-18. The CSC would establish a government-wide executive salary dollar figure which could not be exceeded by the average executive salaries of individual agencies.

Agencies could assign and reassign executives to any duties within the scope of the Service. Career and noncareer executives could be used interchangeably. There would be no centrally administered position classification system.

Qualifications Boards would approve the qualifications of career executives before initial appointment. Employment of career executives would be governed by employment agreements, with initial agreements for a period of three years, renewable for three-year periods. If an agreement should expire and not be renewed, the agency could involun-

tarily separate the executive if he had completed 30 years of service. If not renewed and the executive were not separated under the "30 years of service provision," the executive would have to be offered a GS-15 appointment in the competitive service with salary saving for two years.

The executive would agree to serve where needed and to participate in training and development activities, but could appeal assignments causing undue hardships. A transition plan would give present executives options to join the new service or continue in current appointments.

The Civil Service Commission would submit an annual Stewardship Report to the Congress with current executive authorizations and projections for the coming year.

The foregoing is a very brief summary of main features of a very detailed design for the Federal Executive Service. It met opposition from many quarters: (1) the career executives themselves feared their careers would be made less secure; (2) employee unions expressed opposition; (3) some agency heads resisted interference with their present prerogatives; (4) members of Congress sensed some diminution of their controls over executive personnel matters. A main stumbling block may have been the absence of any massive or politically significant constituency in actual support of the proposal.

In any event, the Congress did not choose that year to authorize a Federal Executive Service, as proposed. And the Civil Service Commission, mulling over possible causes of defeat, resumed planning how best to strengthen Federal personnel management at the executive level—somewhat in the spirit of "the Senior Civil Service."

The Foreign Service Personnel System

R. Bartlett Moon
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STRUCTURE OF THE SYSTEM

The relationship between the Foreign Service personnel system and the Department of State in particular and the "foreign affairs community" as a whole is ambiguous. The drafters of the Foreign Service Act of 1946 perceived the Foreign Service's role as something larger than merely providing part of the workforce to carry out the functions of the Department of State. They christened their creation "the Foreign Service of the United States."¹ As they saw it, the Foreign Service was to represent the United States abroad and "perform duties and functions in behalf of any Government agency or any other establishment of the Government . . . including those in the legislative and judicial branches."

They established a Director General of the Foreign Service. Although he was to be appointed by and under the "general supervision" of the Secretary of State and of the Deputy Under Secretary for Management, the Act instructed this official to "coordinate the activities of the Service with the needs of the Department (of State) and other Government agencies."¹

As part of the Service's intended, but poorly defined, supra-agency position, the Act established a Board of the Foreign Service, made up of representatives drawn from several executive agencies. Its membership has varied over the years. Today it consists of five officials from the Department of State (including one from AID), two from USIA, one each from the Departments of Labor and Commerce, and the Chairman of the Civil Service Commission. OMB sends a non-voting member to meetings. In recent years, the Secretary has regularly appointed the Deputy Secretary of State as one of the Department's five members; he acts as Chairman of the Board.

The Board's stated role was to advise the Secretary of State regarding the overall personnel man-

agement of the Service and, in particular, on policies and procedures "to govern the selection, assignment, rating, and promotion of Foreign Service Officers." As we shall see below, the Board's role changed dramatically with the advent of Executive Order 11636 in December, 1971, and its employee-management relations consequences for State, AID, and USIA. Moreover, the concept of the Board and the Director General overseeing the use of the Foreign Service to represent *all* U.S. interests abroad has not been a popular one with many agencies.

The Departments of Commerce and Labor and other such agencies have been chronically critical of what they consider to be the failure of the Foreign Service adequately to represent their interests abroad. Moreover, traditionally "domestic" agencies with comparatively recent overseas interests have been placing their own employees directly abroad (e.g., the IRS, the FBI, the Drug Enforcement Agency, the Library of Congress), as the Department of Agriculture has done for many years.

In any event, the Act of 1946 sets the Foreign Service apart somewhat from the larger organization it primarily serves, the Department of State. Moreover, the Foreign Service is only one of two personnel systems coexisting within the Department; the other comprises State's approximately 3,170 GS (and GG) employees. While the Director General of the Foreign Service is in charge of both elements of the workforce, the procedures, policies, and actual management of the two systems are distinct, and the Director General has traditionally viewed the Foreign Service as his principal responsibility.

Not counting its alien employees (who shall remain outside the scope of this paper), the FS personnel system has four major categories of employees:²

²These categories have at various times been subdivided into a number of sub-classes. For example, there have been FSRs available for world-wide duty (FSR/WWs) and FSRs who have not (FSR/DESS). There have also been FSS/WWs and

¹Emphasis added.

1. Foreign Service Officers (FSOs)—about 3,450.
2. Foreign Service Reserve Officers (FSRs)—about 920.
3. Foreign Service Reserve (Unlimited Tenure) Officers (FSRUs)—about 210.
4. Foreign Service Staff officers and employees (FSSs)—about 2,380.

As we shall see below, there is variation in the functioning of the system (recruitment, assignment, separation, etc.) according to the category of employees being administered.

The Foreign Service is a relatively "closed" system insofar as its FSO and FSS categories are concerned; employees usually enter these categories at or near the bottom ranks and work their way up to senior grades through promotion. The FSR and FSRU categories appear more "open" ³ in that employees may enter at any rank; indeed, they are apt to come into the Service more often at middle or even senior grades than "at the bottom."

The Foreign Service is a rank-in-person system. Employees have "personal ranks" which they carry with them from job to job. New employees are not assigned into a position, but rather first into a grade class. They remain in that class until promoted into a new one (or until separated) regardless of the position or positions they may be subsequently assigned into. There is no requirement that the rank of a position and its incumbent correspond. Promotion from one class or rank to a higher one is based upon review of the employee's overall record by an evaluation system divorced from the assignment process. Employees may not be demoted.

The Foreign Service provides for 20 personal ranks divided into two "tracks" of 10 each: an "officer" ⁴ track for FSO/R/RUs ⁵ and a "staff"

FSS/DEs. There are currently FSRs in the (three year) process of being converted from FSSs to FSOs (FSR/Mustangs). There are FSRs in the process of becoming FSOs other than by the usual examination route (FSR/Minorities and FSR/Women). There are FSRs in the process of being converted to FSRUs (FSR/FAS Candidates).

³Most FSR candidates, however, are required to be currently employed by some other agency of the Government and to have at least three years of service. Under present regulations, to become an FSRU one must first serve three years as an FSR. Thus, the use of these categories to bring into the service talent from outside the present overall bureaucratic structure is limited to the Secretary's authority to appoint as FSRs (and potential FSRUs) non-bureaucrats certified by the Board of the Foreign Service as having "outstanding qualifications" (Section 522 of the Act). This avenue has been used to a great extent in the past for patronage appointments and for special interest groups the subject of "affirmative action" policies (minorities and women).

⁴The term, "officer," is ambiguous as used in the Foreign Service. It should be kept in mind that all FSOs, FSRs, and FSRUs are considered officers, but some FSSs are also regarded as officers. In the FSS ranks, for example, those above the grade FSS-6 are generally designated "officers" by the central personnel apparatus. The degree to which middle-grade FSSs are

track for FSSs. Because of overlap and correspondence between some ranks on each track, the total system comprises only 14 grade levels of responsibility or expertise. The chart on the next page demonstrates this overlapping of ranks between categories as well as showing present salaries for all ranks.

In the FS system, positions are classified according to the appropriate personnel category of the incumbent (FSO, FSS, FSRU, or FSR), ⁶ the level of responsibility or expertise involved (class 1, class 2, class 3, etc.), and the skills required (expressed by a skill code number). For example, the notation, FSO-4-5010, identifying a position would indicate that the work involved could best be performed by an FSO at the class 4 level with political analysis skills. All employees in the system as well are identified according to their work skills in addition to their personnel category and their personal rank. Primary, secondary, and sometimes even tertiary skill fields are identified.

Nonetheless, the Foreign Service system is more aptly described as a collection of categories and classes of employees than as a collection of skill fields. The Service has organized its employees for many functional purposes according to skill fields, but these have traditionally played a subordinate role to category and class in the management of the system.

DETERMINING PERSONNEL REQUIREMENTS

Determining personnel requirements in the Foreign Service system is essentially a part of the Department of State's budgetary process in which the Department's bureaus and other sub-units annually formulate their personnel needs for the upcoming fiscal year. Typically, bureaus look upon their existing personnel levels as an irreducibly essential base; setting requirements is a process of defending requested incremental additions to that base.

The bureaus' budget estimates, including personnel needs, are reviewed by the Department's central management and budget control unit (M). With the help of the Department's central policy planning unit (S/P) and the Inspector General's

widely recognized as "officers," however, depends largely on the nature of the work they do. An FSS-4 doing security work would probably be generally recognized as an "officer;" an FSS-4 doing secretarial work would not.

⁵FSRs and FSRUs are eligible only for eight of the 10 "officer" ranks; the top two, Career Ambassador and Career Minister, are reserved for FSOs.

⁶Because two personnel systems serve the Department of State, some positions are also designated GS. In fact, some carry a double designation denoting a GS rank and a corresponding FS rank to indicate that they may be filled by either service.

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CHART I.—FOREIGN SERVICE RANK AND SALARY STRUCTURE (AS OF JANUARY, 1975)

Category and Grade FSO/R/RU		Salaries with Annual Step Rates within Grade Levels									
	FSS	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10
Career Ambassador		36,000*									
Career Minister		36,000*									
1		36,000*	36,000*	36,000*							
2		34,373	35,519	36,000*	36,000*	36,000*	36,000*	36,000*			
3	1	27,221	28,128	29,035	29,942	30,849	31,756	32,663			
		27,221	28,128	29,035	29,942	30,849	31,756	32,663	33,570	34,477	35,384
4	2	21,816	22,543	23,270	23,997	24,724	25,451	26,178			
		21,816	22,543	23,270	23,997	24,724	25,451	26,178	26,905	27,632	28,356
5	3	17,726	18,318	18,908	19,499	20,090	20,681	21,272			
		17,726	18,318	18,908	19,499	20,090	20,681	21,272	21,863	22,454	23,045
6	4	14,628	15,116	15,604	16,092	16,580	17,068	17,556			
		14,628	15,116	15,604	16,092	16,580	17,068	17,556	18,044	18,532	19,020
	5	13,114	13,551	13,988	14,425	14,862	15,299	15,736	16,173	16,610	17,047
7		12,285	12,695	13,105	13,515	13,925	14,335	14,745			
	6	11,758	12,150	12,542	12,934	13,326	13,718	14,110	14,502	14,894	15,286
	7	10,541	10,892	11,243	11,594	11,945	12,296	12,647	12,998	13,349	13,700
8		10,520	10,871	11,222	11,573	11,924	12,275	12,626			
	8	9,450	9,765	10,080	10,395	10,710	11,025	11,340	11,655	11,970	12,285
	9	8,473	8,755	9,037	9,319	9,601	9,883	10,165	10,447	10,729	11,011
	10	7,596	7,849	8,102	8,355	8,608	8,861	9,114	9,367	9,620	9,873

*Salary for employees at these rates is limited by Section 5308, Title 5 of the U.S. Code to the rate for level V of the Executive schedule.

staff, M seeks to establish the priorities of the various bureau requests and to formulate an overall Departmental budget which will win OMB, White House, and Congressional approval. Throughout this entire process the emphasis remains on examining incremental changes to existing strengths; there is no satisfactory apparatus or methodology for re-examining the base.

Also, there is no attempt to project personnel (and other resource) needs beyond the proximate fiscal year. The PARA (Policy Analysis and Resource Allocation) process was developed in part to provide a country-by-country analysis of optimal future policy and resource balances for longer-range planning purposes, but a linkage between the PARA process and the central personnel management apparatus was never developed. Moreover, the PARA procedure was, in effect, abandoned in early 1974.

As a method of projecting future Foreign Service personnel requirements (beyond the next fiscal year), the Department of State's central personnel unit developed in the late 1960s the "PERSON" model. It sought to use historic attrition rates and other available data to prescribe the future recruitment, promotion, training, and separation rates required to keep the FS workforce at any given strength. Junior FSO recruitment rates, in fact, were for a time based in part on this model's projections of the intake required to maintain the FSO middle grades at the same numerical levels four to five years into the future. The "PERSON" model gave promise of being a valuable tool for personnel planning. What it lacked was the essential ingredient: a means of determining what the future manpower and skill levels of the Service *ought* to be.

CLASSIFICATION

The Foreign Service maintains its own separate and distinct personnel classification system. As noted above, positions are identified and defined in terms of (1) the appropriate FS personnel *category* of the incumbent (FSO, FSS, FSRU, or FSR), (2) the *level* of responsibility or expertise of the work involved (the grade of the position), and (3) the skills required (denoted by a numerical skill code). At the same time, FS employees are also identified by category, by grade level, and by one or more skill codes, thus facilitating, theoretically, the proper matching of persons and positions.

The identification of positions according to *category* of incumbent is the Foreign Service's effort to introduce the concept of *continuity* into the classification process, at least insofar as many "officer"

level positions are concerned. Ideally applied, the classification of a job as an FSO position should indicate (1) that the duties involved are regularly associated with the work of the service and are of an ongoing nature, and (2) that their performance does not require long term incumbency by the same employee. Classifying a job as an *FSRU* position should indicate (1) that the duties involved are regularly associated with the work of the service and are of an ongoing nature, and (2) that their performance requires long term (5 years or more) incumbency by the same person. Classifying a job as an *FSR* position should indicate (1) that the duties involved are *not* regularly associated with the work of the service and are *not* of an ongoing nature, and (2) that the need for an incumbent will not extend beyond a few years. (Unfortunately, the FSS position category indicator imparts no information about the continuity requirements of a job.)

In practice, the FS classification process has not consistently and uniformly utilized position category indicators in this manner. The designation of a position as FSO, FSS, or FSR has often simply reflected the category of the employee in it at the time of classification. The FSRU category has been used chiefly to denote positions recently converted from GS to FS status, without any systematic effort to determine whether these positions, in fact, require continuity of incumbency or to determine whether or not other positions already in the FS system require such continuity.

The grade designation of positions has not always been used rigorously to specify the degree of responsibility or expertise required by a job. In the past, position levels have been changed often to "reward" incumbents or to facilitate the solution of difficult assignment problems.

The FS skill code system theoretically permits identifying as many as 10,000 discrete skill fields. This should be more than adequate to provide for all of the specializations called for in the conduct of foreign relations. The way FS skill codes are now organized into broad general fields or "cones" of expertise, however, does not always satisfactorily "place" a given job or describe its nature. Moreover, the FS skill code system is outdated; the codes need a general overhaul to assure that they reflect the changing and increasingly technological nature of many FS jobs.

Because the FS system is a rank-in-person rather than a rank-in-position system, position classification has never been viewed as a crucially important factor in the personnel management process. Also, at times in the past the classification function has been decentralized, with a deciding voice in the process given to the bureaus and other operation sub-units of the Department of State. The effect of this in terms of inflated position levels and incon-

sistency in the classification of similar jobs has been hard to overcome, even though today the function has been again centralized.

RECRUITMENT

Recruitment for the FS system is a complex process involving differing standards⁷ and procedures according to the *category* of employee being recruited. Even for the same category of employee there are sometimes differing modes of entry.

1. FSOs

Appointment is by the President; there are three modes of entry.

a. *The competitive examination process.* Citizens over 21 are invited annually to take a written examination aimed at testing their intelligence, their educational and cultural background, and their potential to perform in one of four⁸ broad functional areas: consular, economic, administrative, or political. Candidates who survive this screening must then pass an oral exam given by a panel of experienced FSOs. Its aim is to examine further a candidate's knowledge and ability to communicate as well as to evaluate subjective factors related to his character and adaptability to life in the service. Those who pass are ranked by their oral examination score and, as the budget permits, are brought into the Corps as FSO-7s or FSO-8s according to their experience and level of education (the great majority enter as FSO-7s). Most FSOs enter the Service via this examination route.

b. *Lateral entry.* The Foreign Service Act authorizes the Secretary to recommend to the President the appointment to any of the FSO classes 1 through 7 citizens who have not passed the FSO examinations, but who have rendered 4 years of service to a Government agency (3 years if they are over 31) and who have passed "comprehensive mental and physical examinations prescribed by the Board of the Foreign Service." In practice, this procedure has usually been used to bring into the FSO Corps, primarily at middle or senior ranks, State Department employees serving in other personnel categories, e.g., GS Wristonees in the 1950s and a number of senior FSS officers in the early 1970s. But it also provides a direct route into the FSO Corps for employees of other agencies as well

⁷In all cases employees must pass a physical examination and be certified loyal to the Government and morally suitable for employment by means of a security clearance.

⁸Really five. The fifth functional area, "information-cultural" is for USIA's FSIO candidates.

as an indirect one for persons outside the Government first given a three or four year "way station" appointment as an FSR. The "comprehensive mental examination" prescribed by the Act for lateral entrants has traditionally consisted of a general and unstructured review of a candidate's background and qualifications by appropriate personnel officers. A great many FSOs have entered the Service via the lateral entry route, although it has been used sparingly in recent years.

c. *Special programs.*⁹ FSO candidates who are currently FSS employees of the appropriate grades (Mustangs) or who have certain racial or ethnic characteristics or who are women may be appointed to junior, middle, or senior FSO ranks without passing the FSO written examination.¹⁰ They must be approved by a special oral examination process; they are then given three-year probationary FSR appointments; if a subsequent review process at the end of the probationary period finds their performance satisfactory, they may be appointed FSOs. A small but increasing percentage of FSOs are entering the Service via these programs.

2. FSRs

Appointment is by the Secretary of State; there are two modes of entry:

a. *From present Government employment.* The Secretary may appoint as an FSR any employee of any Government agency subject to the consent of the head of that agency. This process is used to facilitate exchanges with other agencies, to provide the Department of State with other-agency expertise in the performance of some foreign affairs functions, and to bring representatives of some other agencies abroad under a common administrative umbrella with State's overseas employees. As noted above, it has also been used as part of lateral entry programs for State's own non-FS employees.

b. *From outside the Government.* The Secretary may appoint as an FSR any citizen *not* already an employee of a Government agency who is deemed by the Board of the Foreign Service to have "outstanding qualifications." This process permits the Secretary to meet specific needs with persons from the business world, academia, or elsewhere who have specialized skills not available among the other categories of FS employees. In practice, this process

⁹Entry into the FSO Corps under the special programs described here is closely related to the lateral entry process and, in fact, is based ultimately on the same general provisions of the Act. It is listed in this paper as a distinct and separate mode of entry because it is administered separately and because its objectives are different than those of the traditional lateral entry process.

¹⁰Mustangs usually enter the Corps in the junior grades only.

has also been used as a device to accomplish patronage appointments below the executive level.

3. FSRUs

FSRUs are appointed by the Secretary; there is a single mode of entry. Candidates enter first as limited tenure FSRs with notation that they intend to convert to FSRU status. Between their third and fifth years of service, such candidates will convert to FSRU status or will be separated from the Service on the basis of an evaluation of their performance.

4. FSSs

Appointment is by the Secretary. He may appoint any citizen to any FSS class on the basis of qualifications and experience established as requirements for that class by the personnel system's managers. Such appointments may be unlimited, limited, or temporary as the system deems necessary. Limited and temporary appointments may be terminated at any time by either party. Unlimited appointees have tenure to age 60 unless separated *for cause*. In practice, the system seeks to bring in FSSs at the lower ranks and to fill higher level FSS needs through promotion. It is free to make exceptions to this policy, however, and often does in order to fill specialized needs.

As we have noted here, recruitment machinery (using the FSR and FSRU categories) is available to fulfill both highly specialized short term personnel needs and today's more frequent requirements for a higher degree of continuity in many positions. In practice, however, this machinery has not been well utilized. The FS system continues to depend largely on its FSO category to meet all needs, particularly in the substantive work areas. It has sought to meet specialist needs through in-service training of FSOs, in some but not all cases with considerable success. Perhaps the most serious shortcoming of this heavy reliance on the FSO Corps has been the resulting tendency to identify narrowly and inadequately the Service's continuity requirements, thus weakening its overall performance.

PROMOTION

Promotion procedures for all four categories of FS employees are essentially similar. The underlying principle of the system is rank-in-person. In theory at least, promotion is *not* based on the position an employee holds or is moved into; rather it is based on an evaluation of his performance record

by selection panels (led by higher ranking FS employees) which are divorced from the assignment consequences of their annual decisions.

Employees compete before these panels by category, by class, and by areas of skill specialization within each class. For example, FSOs compete with FSOs, FSRs with FSRs, and so on; within categories, communicators compete with communicators, economists with economists, lawyers with lawyers, secretaries with secretaries, etc. This last point, the organization of employees by specialization for promotion competition, is a controversial one, particularly, as it relates to the "officer" categories. The usual five-fold breakdown (program direction, consular, political, administrative, and economic) has convinced some specialists, e.g., historians, labor specialists, science officers, that they are competitively disadvantaged. It has led to such devices as the reserving of a certain percentage of promotions to be applied on a so-called "interfunctional" basis.¹¹

In reaching their promotion decisions, the panels are restricted essentially to reviewing the written performance evaluation prepared annually by supervisors on subordinates and less often by Inspectors who visit posts. Because of their lack of candor, perspective, and balance, these usually bland evaluations are widely viewed by the system's managers as a poor tool for identifying those apt to perform well at higher levels.

In these circumstances, panel members naturally look for other clues to differentiate among employees. One of these, perhaps as good as any available, is the nature of the *position* an employee encumbers (although, in principle, this criteria should not bear on a rank-in-person promotion).

Whether or not it is because panels are made up of employees who have had past promotion success rather than managers who have examined future promotion needs, it is generally believed within the Service that there are certain kinds of jobs more apt than others to bring promotion and that these are the so-called "line" jobs in the geographic bureaus or at posts abroad. As a result, employees tend to shun "specialist" jobs, particularly those in the functional bureaus in Washington. Many also shy from jobs involving long-term incumbencies which might rob them of "exposure" and the chance to be rated by a series of supervisors, factors generally

¹¹Within the overall budget limitation, the numbers to be promoted from each class are determined on the basis of those expected to leave the next higher class during the course of the year through promotion, separation, retirement, resignation, and death. These attrition rates can be determined on the basis of historical data using the PERSON model mentioned earlier. Promotions within a class may be parceled out among the functional specialties as the system's managers perceive the needs of the Service both in terms of higher level skill requirements and employee morale.

believed to enhance promotion possibilities. Both of these kinds of jobs are becoming increasingly important in the conduct of modern foreign relations.

Moreover, because of the built-in disjunction of the promotion and assignments processes in the FS system, promotions sometimes produce assignments problems for the system's managers. Some employees become difficult to place in positions appropriate to their new ranks.

ASSIGNMENT

The assignment process is another that varies according to *category* of FS employee. For FSSs, for example, the process is fairly straight forward and uncomplicated. The bureaus and posts generally do not insert themselves into the process; the central personnel managers determine the assignment in consultation with the employee concerned, and the operational units rarely question the decision.

In principle, the assignment of FSRs is not a problem because they are brought into the Service to fill specified needs, and the operational units concerned often participate in their recruitment. FSRs tend to stay in the jobs they were recruited for. When they are moved to another job, it is usually worked out on the basis of individual consultations with the employee and the units concerned by the central personnel managers.

The policy for the assignment of FSRUs as set forth in the regulations establishing that category of employees is based on the concept that FSRUs would enjoy tenure, perquisites, and conditions of service comparable to FSOs. While it was proposed that FSRUs would serve in positions requiring a higher degree of continuity or specialization than FSOs were normally able to provide and that most of these would be in Washington, it was expected also that some FSRUs would serve overseas. Thus, in principle, the assignment process for FSRUs could be expected to be similar to that described for FSOs below. Because of the newness of this category, however, there has been insufficient assignment experience involving FSRUs to judge how the system will treat them. Nonetheless, it is instructive that as of mid-1974, the system's assignments counselors did not consider FSRUs to be included in their counseling responsibilities.

It is in the assignment of FSOs that the process becomes most complex and difficult, principally because of the policy of filling positions on a rotational basis and because the bureaus and other operational units insist on a strong voice in the placement decisions. In addition, there are different procedures for senior, middle grade, and junior

officers. Also, two distinct processes coexist for officers, a formal assignments procedure and an informal one.

For middle grade officers the formal system seeks to embody in the central personnel unit's "assignments officers" the interests of the operational units (each assignments officer is charged with maintaining current data on the personnel needs of two or more bureaus) and in its "counselors" the interests of individual FSOs (each counselor is responsible for a stable of officers organized by class and functional specialization "cone"). The assignments officers and the counselors meet *en masse* in weekly panels, match available employees against available openings, and determine assignments. They then report these to the bureaus¹² and to the employees.

The informal process is one in which the officer (usually one serving in Washington) finds his own job by approaching a bureau directly. If he and the bureau reach agreement, the latter notifies the central personnel unit, and it ratifies the decision in formal panel.

In both the formal and informal processes there is potential for conflict between the central personnel managers and the bureaus. In extreme cases these may be carried as high as the Secretary of State. The bureaus usually win.

Junior FSOs are assigned much as are FSSs because the bureaus usually do not especially care who goes where; junior officers are viewed as unknown quantities.¹³

Senior officers are also handled separately, but here it is because the bureaus care exceedingly who fills their senior positions. Senior assignments are handled on a highly individualized basis, involving quiet negotiations between central personnel and the bureaus. The informal process described above is a common practice in the placement of senior officers.

Length of assignment is usually not an issue in the assignment of FSOs. Almost all FSO jobs carry with them a specific length of tour varying from 18 months to five or six years depending on factors

¹²In almost every case the assignments officer has apprised his bureaus in advance of probable candidates for any given position; bureaus are rarely surprised by panel decisions. By the same token, counselors have usually sounded out their officers concerning possible openings in advance of the panel meeting.

¹³The central personnel unit is currently trying to re-establish the existence of a central complement for junior FSOs. Beginning officers would not be assigned to fill established positions in posts, bureaus and offices. Rather, they would, in effect carry their positions with them. This concept would be accompanied by a "rotational assignment" policy for receivers of junior FSOs. They would be expected to give the newcomer broad exposure to the work of the unit by moving him from job to job within the post, bureau, or office during the course (usually two years) of his overall assignment.

such as the level of the position and the hardship of the post. In every case, however, it is understood that within certain limits length of tour is subsequently negotiable, depending on the desires of the employee and the needs of the service.

The FS assignment process has served to keep a worldwide network of posts fully staffed. It has also performed creditably in matching employee skills to routine position requirements (given the general inadequacy of the Service's definitions of its skill requirements). If the system does poorly at providing talent for highly specialized work, it is not so much the fault of the assignments process as it is of the classification process for failing to define clearly position requirements and of the recruitment process for failing to bring the skills required into the Service in the appropriate personnel category.

It is in matching employees to positions according to category and *level* that the FS assignment process breaks down noticeably, especially among the officer categories. The numbers of FSOs, FSRs, and FSRUs serving in positions of the "wrong" category or rank exceeds those properly "matched." The FS personnel managers downplay the significance of such mismatching, viewing it as inescapable in a rotational assignment system and, in fact, citing it as a hallmark of the system's flexibility. Nonetheless, the long-term deleterious effects of mismatching of this scale on the use of the different categories to meet differing specialization and continuity needs and on the integrity of FS position and personnel classifications are important.

COUNSELING

We have already touched on the role of counseling in the FS assignments process. It is an important one and is designed to provide the individual employee a spokesman for his career interests. The effectiveness of this counseling depends largely on the conscientiousness and integrity of the counselor and his knowledge of his "stable." To help provide this knowledge, each employee is encouraged to consult frequently with his counselor. Also, he updates annually for the counselor a written account of his career history, including projections of his assignment and training aspirations. The chief weaknesses in the assignments counseling are the short tours of duty of the counselors (most are FSOs and stay in the position at most two years), their lack of counseling training and expertise, the pressures upon them to view getting positions filled as their first priority, and the absence of any useful "models" of how careers in various skill fields *ought* to develop.

Although the assignments counselors are able to

tell an employee where he was ranked relative to his peers by the promotion panels, performance counseling in the FS system is handled largely outside the central personnel apparatus by supervisors as part of their performance evaluation responsibility. Supervisors are instructed to meet at least twice annually with their employees to discuss performance and to indicate areas where the employee should improve. Some perform this role conscientiously; some do not.

There is a third counseling function regularly performed within the FS system: separation or "outplacement" counseling. FS personnel managers are trying to promote as a routine process the counseling of all officer categories on "second career" possibilities well in advance of mandatory retirement age. This counseling is handled by a special unit within the central personnel organization, one which tries to maintain close contact with the "outside" job market. Thus far, employees not on the verge of retirement have tended to avoid this sort of counseling, possibly fearing that seeking it out would give career-damaging signals to the Department of State's operational managers.

TRAINING

For its "routine" skill needs, at least at the officer level, the FS system has largely depended on training programs for personnel already in the system, using "in-house" FSI courses as well as courses given by universities or other institutions. This has been, for example, the Service's traditional process for developing language and area specialists, consular specialists, administrative specialists, and economic and political analysts. For most other specialized needs (*e.g.*, lawyers, communicators, some intelligence analysts, stenographers, geologists, doctors, etc.) the system depends principally on direct outside hire, usually in the FSS or FSR categories.

In almost no case is a specific kind of training program seen as a prerequisite for assignment to a specific kind of job (with the general exception of language training prior to overseas assignment). Nonetheless, the correlation between functional or area training and a relevant subsequent assignment in the Foreign Service is high, at least at the junior and middle grade levels.

"Senior training" in the FS system has been a hodgepodge of programs, most often involving such things as assignment to a military war college, "details out" to other agencies and to non-governmental organizations, and assignments to university faculties as "diplomats in residence." These programs are viewed vaguely as "broadening ex-

periences" with no clear assignment consequence in mind, except that a graduate of one of them is supposed somehow to be better equipped to handle senior responsibilities of an indeterminate nature. Opinions regarding the efficacy of these programs vary. Many officers who have been "detailed out" have found the experience usually valuable in developing managerial competence, although at the same time they fear their promotion timetable may have been set back by their being "away from the mainstream." War college graduates tend to be less positive about the value of their experience.

In general, it can be said that the FS system has established a strong tradition of freeing employees for training at various key points in their careers, especially in the case of FSOs. The more specialized categories of employees, FSSs and FSRUs, find it more difficult to obtain release from operational duties for training.

SEPARATION

Separation from the FS system may be voluntary or involuntary.

1. Voluntary

a. *Resignation.* Employees may resign at any time except that employees in the officer categories proffered training assignments may be asked to commit themselves not to leave the Service for a certain period after training.

b. *Retirement.* The FS retirement program features employee contributions and mandatory retirement for all persons covered (all FSOs, all FSRUs, and contributing FSSs with 10 years service) at age 60 (65 for FSOs at the Career Minister and Career Ambassador ranks) with an annuity based on salary and total years of government service. Persons 50 or older with 20 years of service or more may retire voluntarily and draw their annuity immediately.

2. Involuntary Separation ¹⁴

a. *For cause.* Any employee in any category may be separated at any time for cause upon the presenta-

¹⁴Employees covered by the retirement system who are separated involuntarily from classes 1, 2, and 3 may draw an immediate annuity even if they are under 50 and have fewer than 20 years of service. Employees separated voluntarily or involuntarily from classes 4, 5, 6, or 7 who are under 50 and have fewer than 20 years of service (but more than five) may opt to have their retirement contributions refunded or to leave them in the system in order to draw an annuity at age 62.

tion of written reasons by the Secretary of State and review by the Board of the Foreign Service.

b. *For medical disability.* Employees with five years of creditable service who become disabled or incapacitated may retire and draw an immediate annuity. If they have 20 or more years of service the annuity is calculated in the normal way. If they have fewer than 20 years of service, the annuity is calculated as though they had 20, except that the additional service credit granted may not exceed the difference between an employee's age and the mandatory retirement age.

c. *Under Section 519 of the Foreign Service Act.* An FSO who has been assigned as a chief of mission shall be retired from the Service, if upon completion of that assignment he is not assigned to another Foreign Service position within three months (this feature of the Act has been rarely used). Such an officer would draw an annuity calculated in the normal way.

d. *For low-ranking.* FSOs who are ranked near the bottom of their class for two successive years may be selected out after certain review procedures aimed at assuring them due process.

e. *For time-in-class or multi-class.* FSOs who fail to be promoted out of any one class within certain specified periods or who fail to attain class 2 within 20 years of reaching class 5 may be selected out.

The use of selection out has diminished in recent years because of the procedural limitations imposed upon it to assure employees the protection of due process. The degree to which the overall quality of the Service has suffered as a result, or whether or not it has suffered at all, is probably indeterminable. Nonetheless, selection out remains in principle an irreplaceable tool for weeding out marginal and non-competitive performers.

From an overall point of view, the FS separation processes, particularly its voluntary retirement program combined with the present ceiling on senior officer salaries, has proven in recent years an extremely effective means of encouraging older officers to leave, thus theoretically enhancing the career mobility of younger officers. In fact, separations may be reaching the point that the Service will be unable to replace satisfactorily from within the foreign affairs experience and expertise being lost to retirement.

In part, this problem is being met by keeping employees on *after retirement* by giving ex-FSOs FSR appointments to complete specific tasks or by taking back ex-employees as consultants under contract. The ability to use separated talent in this way, however, is sharply limited by law and regulation; for the most part ex-employees may be utilized for only a few months at most.

EMPLOYEE-MANAGEMENT RELATIONS

The framework for employee-management relations in the Foreign Service is provided by Executive Order 11636 of December, 1971. This was a special Executive Order for the Foreign Service as distinguished from the President's general Executive Order sanctioning the conduct of employee-management relations in the other executive agencies.

The Executive Order covers all categories of FS employees, excluding "management officials" (those in high administrative positions and those involved in the administration of the Executive Order or in the formulation of personnel policies and programs of the Foreign Service). It recognizes the right of employees to form employees' organizations and enjoins management to negotiate certain conditions of employment with the one employee organization selected by the majority of the FS employees as their exclusive bargaining agent (the American Foreign Service Association). To conduct its side of the negotiations (or "consultations") the central personnel apparatus has established a special unit. Negotiable matters are identified in the Executive Order and the regulations implementing it. In actual practice the employee organization has been free to raise almost any personnel policy or practice as a subject for "consultation."

In substantive cases in which negotiations do not produce agreement, the employee organization

may appeal the matter to the Board of the Foreign Service. Upon the advice of its own special Disputes Panel, the Board will decide the issue.¹⁵ Its decisions are binding on both parties, except that they may be overruled by the heads of the agencies covered by the order (State and USIA).

In practical operation, this process does not produce any sort of periodic contract between employees and management defining relations for a set period. Rather the Executive Order has permitted the development of a form of "rolling negotiations" in which the employee organization is free to open or reopen any subject at any time. The consequent burden on the system in terms of person-hours devoted to negotiations is large.

EVALUATION

The FS system's personnel management organization has no self-evaluation unit to examine the effectiveness of its personnel policies and programs. What self-evaluation it performs is an informal process carried out in staff meetings and on an *ad hoc* basis. The system depends largely on the Service's Inspector General to evaluate the personnel management function along with all the other functions of the larger organization, the Department of State.

¹⁵The Board, in fact, has agreed internally to accept the recommendations of the panel in all cases.

Organization for Presidential Personnel Management Responsibilities With Particular Reference to Foreign Affairs Personnel

Charles F. Parker, Jr.
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Over the years there have been a number of studies, recommendations and actions with the objective of providing the President, as Chief Executive, with an appropriate central staff to develop executive personnel policy, to coordinate its administration in the departments and agencies in behalf of the President, to evaluate its effectiveness, and to give leadership for its improvement. The proposals to reorganize executive branch central personnel functions have been of two general types: (1) to provide an executive branch personnel agency under definite Presidential control, or (2) to have a personnel agency somewhat apart from the President, and create a separate Presidential personnel organization.

The past twenty-five years have also seen a number of studies directed specifically toward the personnel system, or systems, for foreign affairs employees. Most of them presented a number of recommendations for improvement of the quality, competence and satisfactions of foreign affairs employees. The recommendations and actions stemming from these studies are generally being summarized in other papers. This paper touches on these studies of foreign affairs personnel management, as well as the studies of general government-wide personnel management, only from the standpoint of arrangements for the conduct of Presidential personnel management responsibilities. A brief review of the recommendations of some of these studies, and of the actions taken upon them, is useful in determining what arrangements might be appropriate and feasible with respect to Presidential responsibility for foreign affairs personnel systems.

PRESIDENT'S COMMITTEE ON ADMINISTRATIVE MANAGEMENT—1937

In 1937 the President's Committee on Administrative Management (Brownlow Committee) recommended transferring all Civil Service Commission (CSC) functions to a Civil Service Administration, in the Executive Office. The Administration would consist of an Administrator to whom would be assigned all of the CSC's functions of an operating character, and a part-time non-salaried Civil Service Board to be a "watchdog of the merit system". The Board's only responsibility would be to investigate and report to the President and the Congress on the quality of Federal personnel administration.

The authority of the Civil Service Administration was apparently to go beyond the then 'competitive service'. The Committee's Special Study on *Personnel Administration in the Federal Service* stated that there should be a number of career services "knit together into a well-integrated career service system and built upon the existing merit system." The special study recommended provision for interchange between the systems and for lateral entry into them.

It has been claimed that President Roosevelt privately opposed the Brownlow Committee recommendation for a Civil Service Administration, particularly if located in the Executive Office. Whether or not he favored it, the Congress did not. Congressional acceptance and firm support of the President's responsibility for executive branch personnel management, evident in the debates on the Civil

Service Act of 1883, had waned considerably. Members were aware of the effective political use of the power to appoint outside the competitive service to positions in the burgeoning New Deal agencies. They refused to pass a bill to create the organization recommended by the Brownlow Committee.

LIAISON OFFICE FOR PERSONNEL MANAGEMENT

When Congress failed to pass the bill to create a Civil Service Administration, the President, by Executive Order, created a Liaison Office for Personnel Management within the Executive Office of the President, with one of the President's Administrative Assistants as head of the Office. The Liaison Office was "to assist the President in the better execution of the duties imposed upon him by the Provisions of the Constitution and the laws with respect to personnel management, especially the Civil Service Act of 1883, as amended, and the rules promulgated by the President under the authority of that Act". It was also "to assist the President in maintaining closer contact with personnel matters insofar as they affect or tend to determine the personnel management policies of the Executive branch of the Government." The Order stated that "the Bureau of the Budget, the National Resources Planning Board, and the Liaison Office for Personnel Management shall constitute the three principal management arms of the Government . . .". The three agencies were to assist him in "seeing that the laws are faithfully executed".

For a number of reasons, the Liaison Office was not a very effective mechanism for achieving improvements in governmental personnel systems. In large part because World War II began within weeks after the Liaison Office was established and the President was concerned with matters of higher priority, it appeared to have very little Presidential support. By requiring that the CSC henceforth report to the President through the Liaison Officer, creation of the Office itself had the effect of according less rather than more Presidential attention to the personnel management function. Much of the Office's ineffectiveness was also due to lack of staff and, later, to the involvement of the Liaison Officer in non-career appointments.

FIRST "HOOVER COMMISSION"—1949

The first Hoover Commission's report on Personnel Management dealt with that subject almost solely in terms of the Civil Service Commission and

agencies subject to the Civil Service Act. It recommended (1) that all Civil Service Commission functions except those related to appellate, regulatory and anti-politics activities be transferred to the Chairman; and (2) that the Chairman be made the Director of an Office of Personnel in the Executive Office, replacing the Liaison Office. As Director of the Office of Personnel the Chairman would be the President's principal advisor on career civilian matters, with special concern for the development of career executive talent and improvements to make the government a progressive employer.

The recommended transfer to the Chairman of responsibility for administering Civil Service Commission activities was accomplished by Reorganization Plan No. 5 of 1949. However, no action was taken to set up the recommended Office of Personnel. The position of Liaison Officer for Personnel Management continued.

The Commission itself made no direct recommendations with respect to the Foreign Service relationship to the President or the Civil Service. In its report on Overseas Administration it suggested creation of a separate Administration of Overseas Affairs. Among the advantages visualized for such an organization was the development of a corps of career men trained for foreign affairs administration, rather than for the "Foreign Diplomatic Service".

The Commission's Task Force on Foreign Affairs recommended that the permanent State Department establishment in Washington, and the personnel of the Foreign Service "above certain levels," be amalgamated over a short period of years into a single foreign affairs service, administered separately from the general Civil Service. Civil Service personnel of the State Department would enter this consolidated service on application and oral examination. The Hoover Commission generally endorsed these recommendations of its task force.

The Hoover Commission recommendations on the Foreign Service produced some results. Legislation enacted in 1949 made the Director General of the Foreign Service a staff advisor to the Secretary, with formal and direct authority over administration of the Foreign Service. However, the amalgamation proposal was not acted upon. Instead, the Secretary appointed the Rowe Committee.

ROWE COMMITTEE—1950

In 1950 the Secretary's Advisory Committee on Personnel (Rowe Committee) reaffirmed the Hoover Commission recommendation for a single, flexible, amalgamated Foreign Service personnel

system, for all employees under the direct administrative control of the Secretary of State. It recommended the system be established initially outside the regular civil service, but this recommendation was "without prejudice to the possibility of eventual development and improvement of the Civil Service system that might result in making it suitable for all civilian employees of the Government". Like the Hoover Commission, the Rowe Committee made no attempt to develop a comprehensive solution for administration of all overseas personnel.

BROOKINGS REPORT—1951

The Brookings Institution, in its 1951 report to the Bureau of the Budget, concluded that the "successful establishment of a new foreign affairs personnel system depends basically upon a clear and unequivocal fixing of responsibility for initial administrative leadership in the development of a personnel program which will make possible the proper staffing of foreign affairs agencies. For this purpose the location of central leadership and responsibility in the Executive Office of the President seems indispensable." The report proposed an Administrative Assistant to the President with a small, high-quality supporting staff: Over the first three years that staff should devote almost its entire attention to development of legislative proposals for foreign affairs personnel management.

PRESIDENT'S ADVISORY COMMITTEE ON GOVERNMENT ORGANIZATION—1953

In 1953 the President's Advisory Committee on Government Organization (Rockefeller Committee) recommended that the Liaison Office for Personnel Management be abolished and that the Chairman of the Civil Service Commission should serve as the President's chief representative and overseer on civilian personnel matters for which the President was responsible. As the President's representative, the Chairman was to provide leadership in the steady improvement of all civilian personnel systems in the executive branch. As a member of the President's staff, the Chairman was to have the same relative status as the Director of the Bureau of the Budget and the Chairman of the Council of Economic Advisers. The Chairman was to have a separate staff for his separate Presidential responsibilities. Without such a staff, the Committee thought, this desirable action would lose much of its force.

PRESIDENTIAL ADVISER ON PERSONNEL MANAGEMENT—1953

To the extent existing Presidential authority permitted, the Rockefeller Committee's recommendation was carried out by Executive Order No. 10452, issued in 1953. Because law prohibited the CSC Chairman from holding more than one position, he could not be appointed to a separate position as Personnel Adviser without a Reorganization Plan or legislation. It was not thought Congress would be receptive to either of such proposals.

The Executive Order abolished the Liaison Office for Personnel Management and assigned the principal duties previously performed by the Liaison Officer to the Chairman of the CSC. The Chairman was to be provided staff for his responsibilities as Presidential Adviser by assignment from the White House or the CSC. In time, he assembled a full time staff of seven persons, including two secretaries, and made additional effective use of inter-agency details to work on individual projects.

The office of the Presidential Adviser gave attention to a wide variety of personnel problems. Between March of 1953 and April of 1957 the Adviser made, or cooperated with other officials in making, 52 cabinet presentations on personnel matters. A major emphasis of the work of the office was on improvement of personnel management abroad, in two subject areas: (1) the establishment of a sound personnel system for foreign affairs agencies, and (2) the establishment of consistent personnel practices among all agencies operating abroad.

Matters receiving attention by the office included establishment of a USIA career system, implementing the treaty with Panama to give equal basic pay to Panamanian and U. S. citizens, providing Defense and other agencies with the basic authority needed to administer alien personnel hired locally overseas, overhaul of the CIA personnel system, development of an ICA career system, consolidation of various overseas allowances authorities, home leave for non-Foreign Service Act employees, uniform health and medical services for overseas employees and their dependents, problems in connection with employees taking positions with international organizations, and problems in the employment of overseas schoolteachers.

WHITE HOUSE FOREIGN AFFAIRS PERSONNEL TASK FORCE—1954

Early in 1954 Mr. Philip Young, as the President's Adviser on Personnel Management, set up an inter-agency White House Foreign Affairs Personnel Task Force. The work of this group ran generally

concurrently with that of the Wriston Committee. Its draft report, which was never published, recommended a single Foreign Affairs Personnel System. Personnel policies for the system would emanate from a centralized personnel management office which would be initially in the White House, but never be placed in a foreign affairs agency. Although its report was never published, the work of this task force undoubtedly provided the background for Mr. Young's 1957 recommendations on this subject.

WRISTON COMMITTEE—1954

The Wriston Committee did not go as far as the first Hoover Commission, the Rowe Committee, or the Brookings Institution in recommending a single foreign affairs personnel service. Its charge was only to recommend measures to strengthen the professional service of the State Department and its Foreign Service.

The Committee recommended that the State Department foreign affairs personnel at home and abroad be under a personnel system outside Civil Service, under the Secretary's control. "Where their official functions converge" personnel of the Department of State and the Foreign Service should be integrated into a single personnel system. Only those professional positions at headquarters which were appropriate for interchange with overseas assignments should be placed in the enlarged Foreign Service. Except for USIA and FOA, personnel of other agencies having overseas activities should not be included. The Wriston Committee recommended liberalized lateral entry into the Foreign Service from the departmental civil service, the Foreign Service Reserve, and the Foreign Service Staff.

Secretary Dulles ordered implementation of the basic recommendations of the Committee. The Department designated about 1,500 positions as Foreign Service positions and by the end of the lateral entry program 1,147 civil service, Foreign Service Reserve, and Foreign Service Staff officers had been appointed as Foreign Service Officers. But this program was carried out at some understandable cost in the morale of employees not incorporated into the Foreign Service.

SECOND HOOVER COMMISSION—1955

The second Hoover Commission, in its report on Personnel and Civil Service, stated that the CSC "must continue to be the Government's central personnel agency". It assumed continuation of the Chairman's role as Presidential Adviser on Person-

nel Management and said the Adviser "should be empowered to examine the operations of all personnel systems outside of the regular civil service". Any shortcomings in the operations of such systems should be reported to the President for such action as he desired to take.

While the Hoover Commission report appeared to accept the CSC Chairman's role as Adviser, its Task Force on Personnel and Civil Service recommended that the Presidential Adviser's function should be recognized as a full-time assignment within the Executive Office, not a part-time job for the CSC Chairman.

In its report on Overseas Economic Operations, the Commission stated that "remedial measures in the interest of efficiency and economy and to strengthen the position of our Chief of Diplomatic Mission in each country should provide for the assignment of overseas personnel of all United States agencies (except the military) under a single unified foreign service system, and for the integration of all separate field missions and overseas personnel of these agencies into the regular organizational units of the embassy, subject to the authority and control of the Ambassador or Minister."

No immediate action was taken to place into effect the recommendations of the second Hoover Commission or its Task Force. However, the President's Advisory Committee on Government Organization, and the President's Adviser on Personnel Management, considered them in arriving at their 1957 recommendations for central organization of the personnel management function.

PRESIDENT'S ADVISORY COMMITTEE ON GOVERNMENT ORGANIZATION— 1957

In early 1957, after reviewing the Second Hoover Commission's recommendations and studying existing arrangements, the President's Advisory Committee on Government Organization (Rockefeller Committee) concluded there was inadequate machinery to assist the President in carrying out his responsibility for personnel management in all executive branch personnel systems, including those not subject to the Civil Service Act. It pointed to the proliferation of personnel systems, including the Foreign Service, as one of the reasons requiring a more effective arrangement. The Committee did not believe the problem would be solved by creating a single rigid civilian personnel system, but rather by equipping the President with machinery to coordinate the several personnel systems in connection with the numerous problems that cut across their lines.

The Committee believed that the Civil Service

Commission's operating functions detracted from its ability to focus on its primary role—protection of the merit system. It believed CSC's operating functions placed it in the position of reviewing its own application of the merit principle and acting on appeals from its own actions within the competitive service. It saw a need for separate machinery to protect the merit principle and review and appraise compliance with that principle.

The Committee recommended an Office of Personnel Management, in the Executive Office, to which the operating functions of the CSC would be transferred. The Chairman's responsibilities as Special Adviser would be terminated and the new Office would be charged with helping the President coordinate all executive branch personnel systems. The Committee recommended retaining the CSC with its responsibilities limited to investigation and appraisal of compliance with the merit principle and to the consideration of appeals.

The Committee recommended placing in the President the sole responsibility for issuing rules and regulations in regard to civilian personnel matters. The one exception was to leave with the Secretary of State the authority to issue rules and regulations for the Foreign Service. It recommended, however, that as time goes on, consideration should be given to transferring such authority to the President.

YOUNG PROPOSAL—1957

Mr. Philip Young, then serving in the dual role of CSC Chairman and the President's Adviser on Personnel Management, was asked to review the new Rockefeller Committee proposals and present his recommendations. In his comments Mr. Young stressed the need for attention to the problems resulting from the number of separate personnel systems, including those of the Foreign Service and the Central Intelligence Agency. Specific mention was made of the foreign affairs field, where at least seven different personnel and pay systems were operating overseas.

Mr. Young concluded that the organizational arrangement established by the 1953 Executive Order was not satisfactory. A staff separate from the CSC and White House staff had not been and could not be provided under that arrangement. This had prevented him from properly carrying out the responsibilities given him by the Order. He did not believe the Chairman of the Civil Service Commission could be expected to serve satisfactorily in the dual role. His recommendation was for the establishment of a new staff Office of Personnel Management in the Executive Office, more along the lines of the recommendations of the second Hoover

Commission Task Force than those of the Rockefeller Committee. The head of the proposed office, who would have cabinet status and pay, would be assigned the functions of the Adviser on Personnel Management which had been previously assigned to the Chairman of the Civil Service Commission.

SPECIAL ASSISTANT TO THE PRESIDENT FOR PERSONNEL MANAGEMENT—1957

The Rockefeller Committee recommendation—to create an operating personnel office in the Executive Office—would have required a reorganization plan or legislation transferring CSC functions to it. It is uncertain whether that recommendation was rejected as inappropriate, or whether it was believed Congress would not find it acceptable. In any event, it was Mr. Young's and the Hoover Commission Task Force's recommendation that was adopted, rather than the Rockefeller proposal.

In September of 1957 the President established the Office of Special Assistant to the President for Personnel Management and gave him substantially those functions which had been exercised by the Chairman of the CSC under the 1953 Order. The President was to have a full-time adviser on personnel management, with staff, to provide the President with an independent review of proposals originating in the CSC, in addition to the review made by the Bureau of the Budget. The CSC was to perform those functions delegated to it by the President, and those functions delegated to it subject to the approval of the President, only after consultation with the Special Assistant.

The Office of Special Assistant was placed in the White House, rather than established as a separate entity in the Executive Office of the President as recommended by Mr. Young. The Special Assistant was provided some staff, although nowhere near the size staff Mr. Young had considered necessary. This arrangement for Presidential personnel management continued until the change of Administration in 1961.

SICILIANO PROPOSAL—1959

As he left the position of Special Assistant to the President for Personnel Management, Mr. Rocco C. Siciliano proposed that an Office of Personnel Management be established in the Executive Office. He recommended it be assigned certain personnel management functions being performed by the Bureau of the Budget, both the policy and the ad-

ministrative functions of the Civil Service Commission, and a coordinating function for those personnel systems operated on a departmental basis, such as in the foreign affairs agencies. He recommended that the bi-partisan CSC be continued for "watch-dog" and appellate functions only. This proposal, like many others, received some attention in the Washington press and bureaucracy, but no action was taken to carry it out.

ROCKEFELLER PROPOSAL—1960

In 1960 Governor Rockefeller, having left Chairmanship of the Advisory Committee on Government Organization, proposed to the Senate Subcommittee on National Policy Machinery the reorganization of the Bureau of the Budget into an Office of Executive Management within the Executive Office of the President. An Assistant Director of that Office would be responsible for advising the President on personnel management matters, presumably succeeding to the functions of the Special Assistant to the President for Personnel Management. Except for the possible transfer to the Director of the Office of Executive Management of some Presidential delegations to the CSC, this seemed to leave the CSC undisturbed. Because the end of a Presidential term was approaching, the Administration decided to take no action on Governor Rockefeller's proposal, but allow the incoming President to take such actions as he considered appropriate.

ABOLISHMENT OF THE POSITION OF SPECIAL ASSISTANT TO THE PRESIDENT FOR PERSONNEL MANAGEMENT

Early in 1961, after the change of Administration, the White House announced that the position of Special Assistant to the President for Personnel Management would not be filled, and that the Chairman of the Civil Service Commission would again serve as the President's adviser on personnel matters. However, it wasn't until March of 1965 that the then President Johnson formally abolished the position by revoking the 1957 Order. At that time the President informed the Chairman of the CSC by letter that he had abolished the position, and that he would look to the Chairman to provide advice and assistance in all areas of the President's responsibility for civilian personnel at home and abroad.

CSC CHAIRMAN'S ROLE IN ADVICE AND ASSISTANCE TO THE PRESIDENT

From the time of the 1965 abolition of the position of Special Assistant to the President for Personnel Management until the end of the Johnson Administration, the Chairman of the CSC did provide advice and assistance to the President in areas of personnel management. This was in large measure because the Chairman previously had, and now continued to have, a close relationship to the President. One of his principal assignments from the President was a "talent search" for capable persons from within—as well as outside—the Federal service, who could be given Presidential appointments. The Chairman used mostly CSC staff in his role of advice and assistance to the President.

COMMITTEE ON FOREIGN AFFAIRS PERSONNEL (HERTER COMMITTEE)—1962

The Herter Committee report in 1962 based its recommendations in regard to personnel systems on its apparent view of the role of the Secretary of State as responsible to the President for the administration of all U.S. activities overseas. It recommended a "family of compatible foreign affairs services" for State, USIA and AID. All civil service employees in each of the agencies would be brought into its foreign affairs service. Agricultural attachés and Treasury attachés and representatives would be brought into the Foreign Service—State's member of the family of compatible systems—along with the labor, civil aviation, mineral, and commercial attachés or specialists. All would be employees of the Department of State, appointed, paid and promoted under the Foreign Service system. The only recommendation of the Herter Committee dealing specifically with a Presidential responsibility in foreign affairs personnel management was that Presidential appointments be given only for officers of class 5 or higher.

PRESIDENT'S TASK FORCE ON GOVERNMENT ORGANIZATION (HEINEMAN TASK FORCE)—1967

In 1967 the President's Task Force on Government Organization, known as the Heineman Task Force, submitted its report on Organization for Foreign Affairs. Its primary recommendations dealt with (1) establishing the Secretary of State as the

President's strong chief subordinate "who can both advise him and act for him across the whole range of his international responsibilities", and (2) organizing the Department of State internally to help the Secretary carry out those responsibilities.

In regard to personnel management, the Task Force Appendix stated that "the Department of State can be made an effective Presidential instrument without substantial reform of the foreign affairs personnel system." Its recommendations for "modest structural reform" of the Foreign Service system included (1) more rapid movement of young officers into positions of significant responsibility, to be made possible by more rigorous selection-out at higher levels, and (2) broader apprenticeship for the best men by stints of service in other foreign affairs and domestic agencies.

AMERICAN FOREIGN SERVICE ASSOCIATION—1968

In its 1968 report "Toward a Modern Diplomacy", a committee of the American Foreign Service Association, chaired by Ambassador Graham Martin, recommended return to a clear division between the Foreign Service and the civil service, with separate personnel offices responsible for administration of the two systems. Both AID and USIA would be staffed by Foreign Service Officers. The report recommended a reconstituted, statutorily independent, Board of the Foreign Service. It did not consider the Board's location, whether within or outside the Department of State, to be of material importance. The Director General of the Foreign Service would be responsible only to the Board of the Foreign Service. He would supervise the staff serving the Board, as well as the work of the Board of Examiners.

In its annexed working papers, the Committee proposed two alternatives for the reconstituted Board of the Foreign Service. One alternative was an independent, bi-partisan "Foreign Service Commission" with responsibility for: formulation of basic personnel policies and standards; ensuring adherence to the merit principle; overseeing of common services such as personnel interchange, training and career development, recruitment and examination; evaluating effectiveness of Foreign Service personnel operations; and acting as a final appellate body. It would thus be a very close parallel of the Civil Service Commission's role for the competitive service.

The Committee's second alternative was to place regulatory authority with the Secretary or the President, subject to delegation and redelegation, and to

place the Foreign Service Board within the Department of State. The Board's responsibilities would be the same as those outlined for the Foreign Service Commission except that it would only advise the Secretary on personnel policies and standards, instead of directly formulating them.

PRESIDENT'S ADVISORY COUNCIL ON EXECUTIVE ORGANIZATION (ASH COUNCIL)—1969

In 1969 the President's Advisory Council on Executive Organization recommended establishment of an Office of Executive Management, which would replace the Bureau of the Budget and generally inherit its functions. The principal new responsibility that the Council recommended be assigned to the office was leadership in the development and evaluation of programs to provide the government with talented executives and utilize them to their fullest capabilities across the executive branch.

MACOMBER TASK FORCES—1970

The reports of the task forces established by the Deputy Under Secretary of State for Administration, William B. Macomber, Jr., published under the title *Diplomacy for the 70's*, dealt mostly with the State Department proper and its Foreign Service. However, there were some recommendations that treated cross-agency personnel matters. The report proposed that AID personnel be brought into the family of Foreign Service personnel systems, as had already been done with USIA personnel. The task forces believed USIA and AID should be completely integrated with the Department, but they rejected bringing all international activities and personnel of the various executive branch agencies together in a single foreign affairs agency. The personnel systems for employees of the other agencies engaged in foreign affairs activities, while remaining separate, should be made compatible with the Foreign Service system.

OFFICE OF MANAGEMENT AND BUDGET—1970

In March of 1970 the President submitted to the Congress Reorganization Plan No. 2, based on the Ash Council's recommendations. Part of this plan redesignated the Bureau of the Budget as the Office of Management and Budget. In his message to the

Congress the President stated that creation of the new Office represented far more than a change of name for the Bureau of the Budget; that it represented a basic change in concept and emphasis, reflecting the broader management needs of the Office of the President.

The President's message indicated, as the Ash Council had, that the OMB would have responsibility for the development of executive talent. In the reorganization of the agency following the taking effect of Reorganization Plan No. 2, a Division of Executive Development and Labor Relations was established, headed by an Assistant Director of OMB. The general personnel management functions and staff of the old Bureau of the Budget were assigned to this division. Additional staff resources were assigned to the general personnel management function, as well as to the new executive development and labor relations responsibilities placed upon the division.

ROLE OF THE BUREAU OF THE BUDGET—OFFICE OF MANAGEMENT AND BUDGET IN GOVERNMENT-WIDE PERSONNEL MANAGEMENT

From 1939, when the Bureau of the Budget was moved into the Executive Office of the President to the present time, the Bureau of the Budget (BOB) and its successor, the Office of Management and Budget (OMB), have played an important part in the determination of government-wide personnel policies and practices. The agency's responsibilities in the formulation or clearance of executive branch legislative proposals, the clearance of executive branch reports to and testimony before Congress on pending legislation, its role in the clearance and approval of Executive Orders, and its general statutory charge to improve the management of the executive branch, place it squarely in this arena.

By the late 1940's the Bureau of the Budget had developed, in what has been called the "management side" of the organization, three distinct units dealing, respectively, with improvement of personnel management systems, financial management or accounting systems, and property and supply management systems—related to the familiar trio of men, money, and materials. Like other organizations, the BOB-OMB underwent many changes over time. Frequent "self appraisals", usually with a view to divesting the organization of any nonessential functions, brought these three activities under repeated review. In resulting organizational changes these units waxed and waned in organizational status and resources allotted to them. Al-

though from time to time accorded different organizational status, the personnel management function always remained. It was, in fact, the only one of the three to survive the 1973 transfer of responsibilities to other government agencies. At the start, in 1939, this personnel management staff was but one or two professionals. It grew to seven or eight in the 1950's, decreased to three or four late in the 60's, increased again to thirteen after creation of OMB, and now has nine professionals.

As has been pointed out by many of the studies of federal personnel management, attempts to make the CSC a truly Presidential, management-oriented personnel agency have placed it in a difficult position. The Congress, employees and employee organizations, and the general public, despite occasional complaints about a CSC management bias, tend to expect the Civil Service Commission to be an employee-oriented "watchdog of the merit system". They view its role as encompassing a check on partisanship, patronage, and arbitrary actions in personnel matters, which have indeed from time to time emanated from the White House as well as the agencies. On the other hand, the President and the department and agency heads generally want removal of restrictions on management freedom in personnel matters. But a Presidential personnel management staff taking that viewpoint would be suspected by the Congress, employees, and the public of desiring greater freedom in order to use the system for personal or partisan political purposes.

Although the BOB-OMB personnel management staff has been alert to protection of the merit system, it has tended to avoid the extremes of either employee orientation or removal of restrictions which would permit political inroads. It has tended to fill the role of management's, rather than the public's, watchdog of merit systems. Its role has been to prevent unnecessary and unwarranted restrictions on management's freedom and to prevent agency or CSC actions on pay, benefits, tenure, and similar matters from undue tilt in the employee's direction. Major attention has been given to achieving or maintaining balance between such provisions for the competitive service and those for the various other personnel systems. This desire to achieve balance—to prevent "leap-frogging"—plus a much greater concern for costs of pay and benefit actions, has brought BOB-OMB into frequent conflicts with the CSC, with the "guild" professionalism and the special benefits desires of the various separate career services, and with the desire of Congressional committees to limit the personnel management authority of the President.

The Bureau of the Budget staff worked rather

closely with the White House staff when Chairman Young was the Presidential Adviser and when Mr. Siciliano and Mr. Eugene Lyons respectively were Special Assistant to the President for Personnel Management. It provided staff assistance on a number of undertakings of those offices, serving to supplement their limited staffs. It did not work so closely with the Macy White House staff of the Johnson Administration. Mr. Macy had been Executive Director of the CSC and tended to rely more on the CSC's staff.

DIRECTOR OF OMB—ASSISTANT TO THE PRESIDENT

In January of 1973 the President announced a "restructuring of Executive Branch management", in which he designated five assistants to the President and three counsellors. All departments and agencies, presumably, were to report to the President through these officials. The announced roles of the five Assistants to the President (Haldeman, Ehrlichman, Kissinger, Ash and Shultz) were, to a large extent, already in existence before the announcement. In the January, 1973 "restructuring," the Director of OMB was designated as the Assistant for Executive Management and, while not stated in the announcement, the Chairman of the CSC and the Administrator of GSA were to report to the President through the Director of OMB.

Although there were never any announcements revoking the assignments under this plan, many of them were short-lived. The roles of the three counsellors disappeared within a few months. The roles of the Assistants to the President continued, much as they were before the announcement, until the individuals named left their respective positions. Mr. Kissinger continued to serve in his general role after being appointed as Secretary of State. Mr. Ash, Director of OMB, appeared to continue his role, relying heavily on OMB staff in his general oversight of the Civil Service Commission's activities.

In December of 1974, after President Ford's succession to office, White House statements on the organization of the White House staff listed Mr. Ash as "Assistant to the President for Management and Budget and Director" of OMB. It footnoted that Mr. Ash had submitted his resignation. In answer to press questions as to whether the new Director would continue to be a Presidential Assistant, Mr. Rumsfeld said "I think he will". The announcement of the nomination of Mr. Lynn as the new Director of OMB, while indicating he was to have "cabinet rank," did not mention specifically a role as Assistant to the President.

CONGRESSIONAL CONCERNS ABOUT PRESIDENTIAL PERSONNEL MANAGEMENT

The various moves to establish a central personnel management agency in the White House or the Executive Office, particularly when the Chairman of the Civil Service Commission was assigned responsibility for direction of the office, caused concern in the Congress and its Post Office and Civil Service Committees. Various committee reports and practices have revealed Congressional desire to restrict the President's authority in personnel management.

In a 1953 report Senator Olin Johnston, Chairman of the Senate Post Office and Civil Service Committee, found serious weaknesses in the Foreign Service system when extended to the thousands of employees overseas. He recommended that the executive branch develop and present to the Congress appropriate legislation to clarify and extend the CSC responsibility for leadership in overseas personnel administration. It is noteworthy that he thought the CSC, not the President, should have this authority.

In 1956 the House Post Office and Civil Service Committee recommended that: (1) the Civil Service Chairman should have no special duties as Personnel Adviser to the President beyond those normally found in the relationship of the head of an "independent agency" to the Chief Executive, (2) the CSC should be "vested with the primary responsibility for government-wide guidance and control of personnel programs in the executive branch," and (3) the Civil Service Commissioners should be appointed for six-year overlapping terms, rather than serve at the pleasure of the President. A bill was enacted carrying out a compromise version of the third recommendation. It provided the six-year overlapping term, but also said "the President may remove a Commissioner". The apparent Congressional objective was to limit the Commission's responsiveness to the President by placing it at some organizational distance from him, but giving him ultimate control if any Commissioner became too independent.

In 1957 the Senate Civil Service Committee staff recommended that "the Chairman and Members of the Civil Service Commission should be prohibited from serving the Government in any other capacity or from participating in political activities." It stated that the position of Personnel Adviser to the President was needed, but it should not be held by the CSC Chairman.

In 1958 and 1959, Senator Clark introduced and held hearings on a bill to establish an Office of Personnel Management in the Executive Office,

resembling somewhat the 1937 proposal of the Brownlow Committee. The Office of Personnel Management would be assigned the operating functions of the CSC, leaving with the Commission only investigative and appeals functions. Because of the known attitude of the House Committee, and of other members of the Senate Committee, as well as differences of opinion within the executive branch, no Presidential position was taken on Senator Clark's bill.

THE PRESIDENT'S ROLE IN PERSONNEL MANAGEMENT

Personnel management is an integral part of the overall management responsibility for the executive branch of the Government, vested in the President by Article II of the Constitution. The only specific personnel responsibility dealt with by the Constitution is the appointing power of the President. It directs him to appoint "all other Officers of the United States, whose appointments are not herein otherwise provided for, and which shall be established by Law: but the Congress may by Law vest the appointment of such inferior Officers, as they think proper, in the President alone, in the Courts of Law, or in the Heads of Departments."

The President's general Constitutional responsibility for personnel management has been modified by law in many respects. Organic statutes of departments and agencies generally vest in the head of the agency—but sometimes in subordinate officers or bodies—the authority to appoint to all but a few positions in the agency. However, a department head's general appointing authority is in turn modified by other statutes. For example, the Civil Service Act and the Foreign Service Act provide important limitations.

The Civil Service Act provides the President with control over the agency head's statutory appointing authority, in that the President "may prescribe such regulations for the admission of individuals into the civil service in the executive branch as will best promote the efficiency of that service." It also indicates that the Civil Service Commission is only to "assist the President as he may request" in preparing the rules and carrying out his personnel management responsibilities. The debate on the passage of the Civil Service Act indicated thorough Congressional acceptance—at that time—of the President's responsibility for personnel management generally.

Civil Service law defines the "civil service" as consisting of "all appointive positions in the executive, judicial, and legislative branches of the government of the United States, except positions in

the uniformed services." It defines the "competitive service" in the executive branch as consisting of all civil service positions except those which are specifically excepted from the competitive service by or under statute, and positions to which appointments are made by nomination for confirmation by the Senate. These definitions reaffirm the President's general authority over appointments in the "civil service" throughout the executive branch, except where modified by other statute.

Although the Civil Service Act of 1883 recognized the President's responsibility for personnel management, later personnel statutes place many responsibilities for regulation and administration of personnel matters directly in the CSC rather than in the President. These include veterans' preference and appeals, performance ratings, Civil Service Retirement and Disability, group life insurance, health insurance, training, annual and sick leave, incentive awards, and removal of hearings examiners.

Other statutes place responsibility for administering programs with the CSC, but make its authority to issue regulations subject to the approval or policy guidance of the President. In this category are regulations on position classification, the pay comparability system, General Schedule pay rates, Foreign Service pay rates, VA Department of Medicine and Surgery pay rates, dual employment and dual compensation, premium pay, and workweek and work schedules.

The trend of the Congress towards placing personnel responsibilities with the CSC rather than with the President was not inadvertent. It reflects in small part the larger continuing contest between the legislative and the executive for power and influence within the departments and agencies. It particularly reflects the desire of the Post Office and Civil Service Committees to lodge responsibilities directly with the CSC, which is under their oversight.

A specific example of this Committee attitude is the Government Employees Training Act, enactment of which was long delayed by disagreement as to where regulation and administration responsibility should be lodged. An Administration bill would have placed responsibility with the President for delegation as he considered appropriate. A bill drafted by the House Committee lodged it directly with the CSC. The Committee was concerned that the President might lodge some responsibility with the Bureau of the Budget or some other agency not under the Committee's jurisdiction. The Committee refused to act until the administration agreed to its views. The Committee won and, to confirm its victory, wrote into the Act in a section authorizing the President to exempt from the Act agencies in addition to those exempted in the statute itself, a

provision that "The President shall not except the Civil Service Commission from a provision of this Act which vests in or imposes on the Commission a function, duty or responsibility with respect to any matter other than the establishment, operation and maintenance by the Commission, in the same capacity as any other department, of programs of and plans of training for employees of the Commission".

There are, of course, many areas of personnel management in which the President has assigned his Constitutional or statutory regulatory and administrative responsibilities to the CSC, frequently within policy requirements specified by the President. Among these are security investigations, standards of conduct for employees, relieving employees from work by administrative order, the designation of officers to which the Annual and Sick Leave Act will not apply, agency appeals from adverse actions, and the Training Act exemptions previously mentioned. Such delegations to the CSC having some relation to foreign affairs include appointment of former Peace Corps volunteers to civilian career services, appointment of present and former Foreign Service employees to the competitive service, and the civil service rights of employees transferred to the International Atomic Energy Agency.

Certain other Presidential delegations of authority to the CSC place some conditions involving consultation with, or approval of, the Department of State. The Executive Order on details to and reemployment after service with an international organization places some responsibilities with the Department of State and some with the CSC, but CSC rules and regulations are to be issued only after consultation with the Department of State. Regulations on evacuation payments, assignments, and allotments for employees in foreign areas can be issued only with prior approval of the Department of State. Regulations in regard to the use of foreign governments or international organizations for training of government employees are to be issued only after consideration of the recommendations of the Department of State. The Executive Order on the transfer of employees to international organizations contains some delegations to CSC and some to State. Just as numerous statutes administered by the CSC contain detailed provisions with regard to personnel matters for the general civil service, the Foreign Service Act and other statutes provide specific details with regard to many aspects of personnel management in the Foreign Service. This, too, may be a reflection of Congressional Committee desires—in this case the foreign affairs Committees—to assure that responsibility for Congressional oversight would be theirs. To the extent that personnel matters are not covered in those statutes,

they remain "executive powers" within the responsibility of the President. With respect to matters that are covered by those statutes, it is still his responsibility to "take Care that the Laws be faithfully executed".

There is one area in which the Department of State has general responsibility for regulation and administration of programs applying to all government employees serving overseas. This is in regard to the various benefits and allowances provided such employees and their dependents. The responsibility for such benefits provided in title 22 of the U.S. Code is lodged directly with the Department of State by the statutes. The responsibility for benefits authorized in title 5 of the Code is lodged with the President, but has been generally delegated to the Secretary. Title 5 allowances are authorized for employees of any executive branch agency who are serving abroad, although some agencies do not provide all of those authorized. Title 22 allowances are generally available only to Foreign Service, USIA and AID employees. Some other agencies have secured statutory authority to provide their overseas employees some or all of the benefits accorded the Foreign Service, but others have not. This has caused some dissatisfaction on the part of employees not entitled to them.

STAFFING THE PRESIDENT FOR HIS PERSONNEL MANAGEMENT RESPONSIBILITIES

The large number of separate personnel systems operating in the executive branch, the enormous detail of the statutes dealing with these systems, and the overlaps and conflicts between them, make some central government-wide attention necessary. In the words of Paul Appleby, someone has to "make a mesh of things." That someone is the President or someone who has the authority to act for him across the lines of the various departments and personnel systems.

There seems to have been a general thread of agreement running through the various studies of executive branch personnel management on certain fundamental Presidential responsibilities. They have to do with setting Presidential policy, within statutory limits; guiding and controlling the acts of his appointees in carrying out those policies and statutes; assuring conformance to them by the departments and agencies; reviewing the policies and statutes to assure their suitability; and taking action to revise them or secure their revision when appropriate. These responsibilities of the President apply to all executive branch personnel systems.

Although there has been a measure of agreement

as to what the President's personnel management responsibilities are, there appears to have been less agreement as to what kind of staff assistance he should have in carrying them out and where it should be located organizationally. Most of the options available for the exercise of Presidential leadership in personnel management generally, and for foreign affairs personnel in particular, have been proposed in one or more of the studies discussed earlier. The proposals range from centralization of policy and operational responsibilities for all systems in a Presidential staff, to practically complete relinquishment of Presidential guidance or supervision. The principal ones could be summarized as:

- Assignment to the CSC Chairman of responsibility for personnel policy assistance to the President and for administration of all government personnel systems, including foreign affairs personnel systems.
- Assignment to the CSC Chairman of responsibility for Presidential policy staff work for all personnel systems, but operating responsibility only for the competitive service.
- Location of a Presidential policy staff in the White House, or in a separate Executive Office of the President (EOP) office, with the CSC responsible for administering all systems.
- A White House or EOP policy staff, administration of the competitive service by the CSC, and administration of a government-wide foreign affairs system by the Secretary of State.
- A White House or EOP office responsible for the policy staff work and for administration of a foreign affairs personnel system or systems, and administration of the competitive service system by CSC.

When one looks at the detailed tasks performed by the majority of the Civil Service Commission's approximately 8,000 employees, little of it appears to be of Presidential concern. Transfer of its operating functions to the Executive Office appears to be unnecessary, inadvisable and, from the standpoint of Congressional reaction, unachievable. Congress also takes a dim view of the establishment of closer ties between the President and the CSC by the assignment to the Chairman of any role as Adviser or Assistant. It appears clear that Presidential staff support for overall personnel management should be separate from the CSC's merit system operating responsibilities.

Similarly, the President has little need to have the detailed operations of other personnel systems—including those of the foreign affairs systems—in his immediate office and, with the possible exception of the foreign affairs systems, Congress would be unlikely to agree to it. However, given the relationships between the foreign affairs and other

civilian personnel systems, there is a clear need for coordination at the Presidential level. Different Presidents have different views of their office. One wants to delegate to his principal assistants authority to make decisions on as many matters as possible. Another may want to make as many as possible himself. One may visualize his responsibility as that of a competent general manager of governmental activities. Another may be impatient with administrative or managerial matters, desiring instead to be an innovator of programs. It may be that one President's arrangement of responsibility for government-wide personnel management functions will be unsatisfactory to another. This has appeared to be true in the past. However, the instability of these arrangements has impeded effective Presidential leadership in personnel management, particularly outside the competitive service.

When the role of advice and assistance on personnel management was assigned to the Chairman of the CSC, the exempted agencies and services—always suspecting the CSC of desiring to bring them under the general civil service—were often unresponsive or uncooperative. When there was a White House Adviser or Assistant for personnel management, those agencies considered him and his staff as another, probably very temporary, threat to their independent status and favorable benefit treatment, and they resisted accordingly. If there is to be an effective staff to provide the President with advice on government-wide personnel matters and assist him in achieving the 'mesh' of the various personnel statutes and systems, it should have some institutional continuity. This would argue for its location in the Executive Office of the President, rather than in the White House.

Whether such a staff should be established as a separate office within the EOP, or be in the Office of Management and Budget, depends in part upon how one visualizes the role of the Director of OMB. If he is the President's principal staff assistant in all areas of general management, the personnel management staff should probably be located in OMB. To be effective, however, it would have to be staffed to permit a more aggressive attack on cross-system personnel problems, in addition to the more reactive role now played with respect to legislative and other proposals. Further, its organizational status within OMB and its support by the Director of OMB should be such that its mandate can be fully carried out. Adequate staffing of this function should not be considered secondary to the staffing of other functions of the Office.

Similarly, whether the responsibility for advising on foreign affairs personnel policy development, administration of foreign affairs personnel systems, or both, should be with a Presidential level office or with the Secretary of State depends on one's view

of the role of the Secretary. If he is to be responsible to the President for the administration of all U.S. activities overseas, central administration of at least the Foreign Service might logically be assigned to him. It might also seem appropriate to lodge with him coordinating responsibility with respect to separate foreign affairs systems. However, there would still be the need for coordination between the various foreign affairs systems, the other civilian personnel systems and, in some areas, the various uniformed services. For this reason, as well as to assure unbiased advice in regard to the operations of the Foreign Service personnel systems, the President needs an agent, outside the State Department, to provide some of the oversight of agency operations that the CSC provides for the competitive service.

To provide the President and his agent with the authority necessary to achieve coordination and balance between the various systems, the rule-making authority for any or all foreign affairs services should be lodged with the President. The regula-

tory authority and administering responsibility for the benefits and allowances provided overseas employees by title 22 of the U.S. Code should be lodged with the President (as is the case with those provided by title 5) for delegation under such policy guidance or standards as he considers appropriate to State, CSC, OMB or other appropriate office, and those benefits should be extended uniformly to all employees serving overseas. To facilitate and encourage mobility between the systems, the President's agent should develop legislative proposals to provide equitable retirement portability between the Foreign Service and the Civil Service systems, or for amalgamation of the systems.

The lodging of these responsibilities in regard to the Foreign Service system with the President instead of with the Secretary of State would facilitate coordination of the government's various personnel systems as well as future efforts, if appropriate, to consolidate them into a comprehensive foreign affairs service or a comprehensive—or at least compatible—civil service.

Appendix Q: Posts and Missions

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Introduction

Appendix Q consists of four papers, prepared independently for the Commission and collectively designed to explore possible changes required in the functions, staffing, and organization of American Embassies and other missions abroad. Those by former Ambassadors Foy D. Kohler and J. Robert Schaetzel are concerned with the evolving role of the American Ambassador, while those by Ambassador William O. Hall and FSO T. McAdams Deford discuss embassies as a whole and present, between them, a number of possible organizational patterns which might be helpful in strengthening the work of our overseas missions.

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The Role of the Ambassador

Foy D. Kohler
December 1974

THE BASIC PRINCIPLE

As is attested by his commission and letters of credence, the Ambassador is the direct representative of the President, as Chief of State and Head of Government of the United States, to the Chief of State (and Head of Government) of the country of his residence. He is thus the President's counterpart, responsible for the full panoply of interests and activities of the United States within his area of jurisdiction. This status has not only been traditionally recognized and accepted, but was wisely reflected in the Rogers Act of 1924 and the Foreign Service Act of 1946, which established not a foreign service of the Department of State but *The Foreign Service of the United States*. This is not to say that every Foreign Service Officer can expect to rise to the rank of Ambassador or that qualified persons from outside the Government should be excluded from appointment as Chiefs of Mission, but it does mean that every Foreign Service Officer is expected to consider himself as being in the service of the nation as a whole and to prepare and conduct himself accordingly.

The implementation of the concept presented no problem, other than occasional skirmishes with the Departments of Commerce and Agriculture, so long as the activity of American Missions abroad was largely limited to the traditional functions of representation, negotiation, reporting, assistance to citizens and promotion of trade.

However, with the emergence of the United States as a "super-power" on the world scene during and after World War II, new instruments of foreign policy were developed and new agencies were established to operate them, both at home and overseas—propaganda, intelligence, cultural relations, military and economic aid, and disarmament. At the same time, the explosion of American interests on a global scale soon impinged on the functions of practically all Departments and agencies of the Federal Government as the boundary between foreign and domestic policies became blurred, and these organizations began to seek representation of

what they considered to be their legitimate (if specialized) interests abroad.

Washington: I leave aside the consequent and repeated efforts to bring under control of the President and the Secretary of State the formulation and conduct of the nation's foreign policy in the capital, other than to express my conviction that agencies dealing exclusively and overtly with foreign policy operations should be integrated into and administered uniformly by the Department of State, and that the foreign activities of other agencies should be closely coordinated by State. But whatever bureaucratic structures, pressures and conflicts may be tolerated in Washington, the United States Government must speak with one voice and act as one person—the person of the President as represented by the Ambassador—in foreign lands.

Overseas: With the mushrooming of separate overseas services after World War II, confusion arose abroad as well as at home. Here, too, efforts were made to restore order by a series of Presidential pronouncements, executive orders and letters affirming the primacy of the Ambassador over all elements (except military theater commands) and by the administrative introduction of the "country team" concept. These were perhaps useful devices for the times. However, they fell short of a clearcut confirmation of the authority of the Ambassador commensurate with his responsibilities as established by law and long-standing practice. They also deviated from the basic principle by implicitly, or in some cases explicitly, treating the Ambassador as the representative, not of the President, but of the Department of State (the senior Department) and thus tended to transfer some interagency conflicts from Washington to the field. Moreover, implementation in general left much to be desired. Secretary of State Dulles, for example, resisted integration of operating services and would have limited the Department of State to formulation of foreign policy and a measure of coordination and supervision. The Foreign Service, crippled by a long period of non-recruitment and limited participation in wartime operations, was unable to pro-

vide a sufficient number of officers with executive experience and other qualifications to "take charge" of the new instruments of foreign policy. Indeed, many old-line Foreign Service Officers publicly pined for a return to the good old days of traditional diplomacy and wished that the war and cold-war engendered excrescences would simply fade away. Despite these negative factors, however, there were many brilliant performances, both by career and by non-career Chiefs of Mission, in integrating and directing purposefully the activities of all elements at their posts. Many of these, reflecting a viewpoint which I shared, refused to use the term "country team."

The basic concept was succinctly set forth by Ambassador Graham Martin in his article "Organizational Imperatives" in the *Annals of the American Academy of Political and Social Science* (November, 1968):

The ambassador, as the personal representative of the President of the United States, must assume responsibility, in the President's name, for everything that the United States government does in the country to which he is accredited. To discharge that responsibility effectively, he must also assume command in the President's name, of all activities of all United States personnel in the country. No ambassador worthy of being given such authority in the first place is likely to abuse it. If he does, the remedy is not to overrule him constantly, but to dismiss him.

IMPLEMENTATION OF THE PRINCIPLE

The extent to which our overseas missions can be expected to operate efficiently and effectively depends primarily on two factors:

1. The attitudes and method of operation of the President and the Secretary of State;
2. The quality of our Ambassadors and their supporting personnel.

Washington Aspects

Identification with the President: The President's "special trust and confidence" in his Ambassadors must be more than the words on their commissions. It is essential to the Ambassador's status and performance that he know the President, and that he be known in the country of his residence to have a personal relationship with him (as well as, of course, with the Secretary of State). With the proliferation of Missions to the emergent nations (in ex-colonial areas previously not even warranting a Consulate) and to multilateral organizations, bring-

ing the Ambassadorial total to 137, some problems arise which cannot be solved by the traditional personally autographed photograph. The President should see and should want to see individually his Ambassadors heading all Class I (23) and most Class II (33) Missions before they go to their posts and when they return to Washington on consultation and Leave. Ambassadors heading lesser posts (Classes III & IV-81) could be seen in small groups, perhaps at regular weekly meetings held for this purpose. All meetings, whether individual or group, should be on the official calendar, be referred to in daily White House press briefings, and be publicized by USIA media. Consideration should also be given to holding the regular regional Ambassadorial Conferences, not in the field as at present, but in Washington, with the President addressing the group and participating in some of the discussions, and with the Secretary of State and other top-level officials from State and other Departments and agencies in attendance.

The Problem of Change in Administrations: Changes in the national Administration present a particular problem, especially when they involve a turnover in Party. The new Administration is likely to be unaware of the far-flung human resources at its command in the Foreign Service, unconvinced of (if not actually suspicious about) the non-partisan nature of this personnel, and unacquainted with most of its members. Naturally, the first concern of the new President is the selection of his immediate White House staff, then of the top-level personnel in his Cabinet and major Government agencies. Emerging from a domestic political campaign, he is likely to give less attention than they deserve (and probably less than he later wishes he had given) to Ambassadorial appointments, leaving these largely to his new Secretary of State and his domestically-oriented appointments aides (whose interest is mainly political patronage). Thus, the typical picture after a change of Administration is a surge of political appointments, considerable uncertainty in the career ranks, and some resultant marking of time in the development and carrying out of foreign policy. By midterm, the tide begins to turn; the political appointees abroad and in the immediate entourage of the new Secretary of State begin to disappear and be replaced by professionals as the new leaders begin to know them.

It would surely be in the national interest to improve this process. The senior Foreign Service Officer in the Department or a distinguished career Ambassador specially recalled from his post and/or the Director General of the Foreign Service should be placed at the direct disposition of the Secretary and the White House during the transition period to advise and assist in the Presidential appointments decisions to posts in the Department and at

diplomatic missions. Such an officer (or officers) should be able to define any special criteria affecting selections for specific posts being considered; should be armed with the records and ratings of senior Foreign Service Officers and prepared to make specific recommendations for appointments from the Foreign Service; and should provide professional evaluation of the qualifications of proposed appointees from outside.

Informing the Ambassador: The Ambassador must be kept informed of all Government decisions and activities affecting the relationship between the United States and the country to which he is accredited. There has, of course, been a revolution in communications and transportation which has enabled (and tempted) top-level government officials, from the President down, to engage more actively in foreign travel and even to communicate directly with their counterparts in foreign countries—ranging from Presidential use of the “hot line” in crisis situations, to personal correspondence, to telephone conversations, to attendance at meetings of OECD Finance Ministers or NATO Defense Ministers. This technological revolution has certainly quickened the pace and changed some of the methods of diplomacy, but it does not change the underlying importance of the bilateral relationships between individual countries in a world of sovereign nation states. Indeed, the state of these bilateral relationships may well have a decisive influence on the results of multilateral diplomacy.

Since most American officials are inexperienced in international affairs, an Executive Order should be issued making it clear throughout the Government that records must be kept of any contacts or conversations with officials of foreign governments and that these records must be provided to the Secretary of State and to the American Ambassador in the country involved. Any official contact of high-level United States Government officials visiting foreign countries should be made only after adequate consultation with the Ambassador and the appropriate member of the Embassy staff should be present to keep records of any conversations. Unless the Ambassador and his supporting element in the State Department are the repository of the totality of information bearing on relationships between the United States and the country in question, there will nowhere be any complete record of the relationship and the conduct of foreign affairs will be fragmented, with the risk of becoming counter-productive if not actually contradictory.

The same rule should apply to the members of the Congress and they should, of course, be kept aware of the importance of the considerations involved. I would observe parenthetically, however, that, within my experience, Congressmen have usually been more cautious and careful in their foreign

contacts than Administration officials, relying on State Department support and advice in their travels abroad and preparing reports after their return.

Washington Liaison: In fulfillment of his role as the representative of the President (and thus of the entire Administration), the Ambassador, on his part, should keep in touch not only with the Secretary and Department of State but also with other interested Departments and agencies. Thus, it is important that, before he leaves for his post and whenever he returns to Washington, he call on other Cabinet members and key officials with substantial interest in the country to which he is accredited and/or having personnel assigned to his staff. In order to facilitate continuing liaison, he should be accompanied on such visits by appropriate members of his supporting “country desk” staff in the Department of State.

Foreign Ambassadors in Washington: Problems sometimes arise with respect to contacts with foreign Ambassadors accredited to the United States. Just as the American Ambassador in the foreign capital should be purposefully used to promote American interests and achieve American objectives abroad, so foreign governments consider their Ambassadors in Washington are in a preferred position to serve their purposes vis-a-vis the United States. The general rule is, and should be, that the Ambassador's business should be conducted primarily with the Ministry of Foreign Affairs (State Department) and that the Ministry (State Department) should arrange and facilitate, or at least be aware of, his contacts with other agencies. In relatively undisciplined societies such as ours, however, there is a tendency for other government officials to be intrigued by the idea of “playing diplomat” on their own. The White House staff, in particular, is frequently less than prudent in letting itself be drawn into conversations and negotiations with foreign diplomats in Washington on matters which should be handled by the State Department or by the United States Ambassador abroad.

The President is obligated to receive the credentials of all foreign Ambassadors when they arrive in Washington and normally tries to entertain the Diplomatic Corps at least once a year. He also sees the foreign Ambassadors accompanying distinguished visitors from their home countries. Contacts, whether by the President or by his National Security Advisor or other members of the White House, do involve a number of risks. For one thing, foreign governments sometimes try to use the White House channel to end-run around the American Ambassador in their own capitals and to reverse or modify unfavorable decisions which may have been communicated to them by the Ambassador on the spot. For another, it is manifestly impossible (as well as undesirable) for the White House

to be adequately informed of the myriads of problems between the United States and other countries, or to deal effectively with specific issues outside the context of an ongoing broad relationship. Furthermore, as a physical matter, the President and his staff cannot maintain contact with more than a handful of the 130-odd Ambassadors in Washington and the net result is the creation of resentment and frictions among those who are unable to obtain such "favored status."

Summitry and Official Visits: Summitry *per se* is historically a somewhat dubious instrument unless it is purely for the purpose of getting acquainted and establishing an aura of good will, or to ratify agreements previously carefully worked out through normal channels. However, within the framework of this definition of summitry, a good American Ambassador will always seek to arrange exchanges of visits between the President and the Secretary of State and other top-level American officials with their counterparts in his country of residence. Such visits (in which he must play a key role) provide opportunities to extend his range of contacts, to enhance his status with the local government and population and to engender favorable publicity for his country. And after the visitors have come and gone, it is the Ambassador on the spot who must follow through to give the results some durable significance.

The Nixon-Kissinger Anomaly: It would be unrealistic to discuss the management of foreign affairs in Washington, from the point of view of the role of the Ambassador, without dealing with the anomalous practices which have characterized the process during the past five years. Since 1969, the general direction of foreign policy has been primarily influenced, and many major problems have been personally handled, with the support and occasional participation of the President, by Dr. Henry Kissinger, first in his capacity as Assistant to the President for National Security Affairs and since August, 1973, in the additional capacity of Secretary of State. In both capacities, he has operated (conducted "secret diplomacy," in his own words) with the support of a personal entourage and limited use of the established civilian and military bureaucracies. A brilliant and articulate intellectual with a cast iron constitution, he has seemed to be on the move abroad nearly as much as he is in Washington.

Historians will long debate the value of Dr. Kissinger's contribution to the conduct of American foreign policy. Many analysts are already asserting that "objective conditions" were more important than the personal touch in most of his "accomplishments" and that firmer and more stable results would have been obtained through more normal procedures. Most seem to agree, however, that his travels and personal diplomacy were key factors in bringing about a major shift of United States policy

towards the People's Republic of China and in securing a cease-fire in the Middle East at a time when the United States did not have established diplomatic relations with the Arab countries. In any case, while such high-level travels and negotiations are spectacular and tend to monopolize the attention the public media give to foreign affairs, two points must be borne in mind:

First, personal diplomacy of the President and the Secretary of State can at most deal only with major allies and adversaries and with momentarily critical areas. Even as such personal diplomacy captures all the headlines, the Government's business with more than 100 individual countries and scores of international organizations must be and is carried forward through the established machinery (though this would, of course, benefit from more regular and accessible top-level attention).

Second, relationships between countries are on a 365-day-a-year basis. Visits of a few days are not sufficient to maintain this diplomatic process unless there is a persistent follow-through by a thoroughly informed Ambassador on a day-to-day basis. Moreover, when such top-level diplomacy is justified to effect a specific policy change, the purposes of that change will not be realized until the policy is institutionalized and becomes a part of the continuing conduct of foreign affairs.

Dr. Kissinger expressed his awareness of these facts in a press conference at San Clemente on August 23, 1973 on the occasion of his nomination to be Secretary of State, when he said:

What we are going to try to do is to solidify what has been started. . . . This requires that there will be a greater institutionalization of foreign policy than has been the case up to now. One of the challenges in going to the State Department will be the ability now to work with the great professionals in the Foreign Service who will be here after this Administration has left, and who, hopefully, will carry on the traditions that are valid, that will, by then, have been established.

Unfortunately, whether because of his basic nature or because of his continuing involvement in personal diplomacy, Dr. Kissinger has done little to put his publicly declared purposes into effect. Perhaps the report of the Commission can prompt and facilitate a "return to normalcy." The need for better organization and management in the conduct of foreign affairs, today serious, will become critical in the relatively near future. There are few Dr. Kissingers produced in the world and after he leaves the scene, I doubt we shall see his like in the White House or the State Department for many decades to come.

Overseas Aspects

Department Support: The Ambassador must have strong rear echelon support in the State Department. His back-up at home should be raised from its present level and strengthened to provide a sort of duplicate of the mission abroad, able to maintain liaison and get action from all interested agencies in Washington, and to provide quick replies to the Ambassador's communications. It is impossible to conduct United States foreign policy effectively if what are now called "country desk" elements in the State Department are denied access to important communications to and from the field and with foreign representatives in Washington, as is the case today. Important personnel resources are thus condemned to under-employment, while overworked senior officers are deprived of invaluable assistance and advice. It appears that the justification for such restrictions in the distribution of essential information has been due to top-level obsession with "leaks." As is well-known (to borrow a Soviet expression), most Washington leaks come from the top, anyway. The way to prevent leaks at lower levels is to create a feeling of responsibility, trust and participation. Indeed, the cutting off of operating levels from essential information could constitute a provocation to disgruntled personnel to take liberties with such information if and when they do happen to come by it.

Communications: The Ambassador will normally use the State Department channels of communications. He must, however, have access to and authority over other channels of communications from the Embassy operated by Defense and CIA. He must be kept regularly informed of all important substantive matters reported through these channels and be provided, at his request, with all reports or other communications sent through them.

Contacts: The Ambassador must control access by all members of his Embassy to officials of the government to which he is accredited. No element of the Embassy can be authorized to establish or maintain official contacts without the Ambassador's knowledge and approval. This is not to say that contacts should be restricted to or handled by the Ambassador himself. On the contrary, a good Ambassador will delegate responsibility broadly (his ability to do so should be a principal criterion in his selection), and not only authorize but actively encourage the development of working and social relationships at all levels and by all elements of the Embassy.

Personnel Control: If the Ambassador is to exercise effective authority over personnel in the service and on the payroll of other Departments and agencies than State, it must be made clear to them in Washington that his evaluation of their performance will

have an important bearing on their future progress in their own services. The present informal and frequently *pro forma* rating procedures should be replaced by a systematic, uniform, accepted system of Ambassadorial performance reports on the senior personnel of all Departments and agencies comparable to those submitted on senior Foreign Service Officers.

A Unified Mission: An effective Ambassador will encourage all elements of the Mission to consider their specialized activities as contributing to the accomplishment of the overall objectives of the United States in the country of their assignment. Indeed, with a proper understanding of the common mission of all elements useful intramural cooperation in exchange of information and other forms of mutual aid can be developed, enhancing the overall performance of the Mission.

ENSURING ADEQUATE AND QUALIFIED PERSONNEL RESOURCES

Despite occasional mismanagement and recurrent abuse, the 50-year old Foreign Service of the United States is a tested and proven instrument. The Foreign Service has increasingly provided the personnel resources required for the conduct of the nation's foreign affairs and will inevitably have to be relied on even more in the future as diplomacy becomes more complex and diplomatic life more hazardous, and as American relationships with the outer world become increasingly critical to our security and well-being.

It is therefore vital that the well not be allowed to go dry and that its waters be kept fresh. Recruitment at the bottom must at all costs be sustained, high standards of admission and performance maintained and sub-standard personnel gracefully eliminated.

More specifically, if the Foreign Service is to produce officers capable of fulfilling the expanding role of the Ambassador in today's world, several measures are essential:

1. In Foreign Service assignments to the State Department (which should normally constitute not less than one-third of the officer's service), it should be made clear that effective performance in management and administration is as important to future promotion as service in the more traditional and usually more sought after functions.

2. There must be a greatly expanded program of assignments to responsible executive positions in such operating agencies as USIA and AID and to the foreign affairs elements of the White House, Defense, Commerce, Treasury and other Departments and agencies. An effective perform-

ance in these assignments should likewise be given greater weight in the promotion system.

3. Except for purely technical specialists (doctors, nurses, engineers), the general rule should be that officers specializing ("majoring") in a given area or functional field should "minor" in at least one other field. As officers showing qualities of executive leadership and broad political and economic understanding reach the upper ranks, they should be given an increasing range of responsibilities and experience both in Washington and overseas.

4. The Foreign Service Institute should be developed increasingly as an all-Service training facility. Its curricula should be reviewed and revised to support the broad concept of training and experience suggested above and to instill an understanding of the role of all instruments in the realization of overall United States foreign policy objectives.

The Foreign Service Act of 1946, which is a very flexible instrument, should be used purposefully to accomplish these objectives.

Is the Ambassador an Endangered Species, or Merely Obsolete?

J. Robert Schaetzel
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The presumptive conclusion is that if the ambassador is not obsolete, he certainly is obsolescent. The more charitable notion of "an endangered species" insinuates that the ambassador, roaming his exotic habitat, is worth preserving, perhaps as an anthropological specimen. In any event the question is timely, for the ambassador, wrapped in the yellowed trappings of diplomacy, is in the way of becoming one of the modern world's anachronisms.

Assumptions

This appraisal of the present and possible future role of the ambassador focuses on Western Europe where my experience lies, but implicitly includes such other industrialized countries as Canada, Japan, and the multilateral Atlantic organizations. I also submit that these remain the areas of fundamental interest to the United States. There are two errors of analysis—to attempt to force all foreign relations into the same matrix or, on the other extreme, to draw sharp distinctions between American foreign relations with the industrialized democracies, the communist world, the rich and the poor, developing nations and, finally, that new element, the multilateral organization. While the differences among these groups are extensive, nonetheless many of the observations to be made about the ambassadorial role in Western Europe and with respect to the multilateral organizations have applications to the role of chiefs of mission elsewhere in the world.

As a caveat and to clarify this analysis, a few remarks should be made about the developing countries. These are more suppositions and questions than assertions. These countries, containing the bulk of the world's population and most of its pov-

erty, struggle with basic internal problems of political and economic development. Even in the expansive, self-confident days of American foreign policy under Presidents Truman and Kennedy the specific problems of these countries rarely caught and held Washington's attention. This lack of political attention and the peculiarly local nature of the problems open a special role for the American ambassador. The right man, with a feel for the people and its regime, with energy and a small competent staff, can play a remarkable and constructive role. It is a role for a trained, experienced, sympathetic official who sees the job as the culmination of a career dedicated to the improvement of man's lot. This definition excludes the career officer who views the assignment as a necessary purgatory, or the political appointee who contributed so little his reward was Africa, Central America, or nothing.

The first general assumption is the phenomenon of a constricted, interrelated world, summed up by the word "interdependence". Interdependence, which subsumes the overwhelming importance of economic factors, means that international relations have become inseparable from domestic policies and programs. Of the many implications of this fundamentally altered basic situation, one is the change it imposes on diplomacy. From the Renaissance, when modern diplomacy was born, to the Age of Enlightenment and the 19th century intrigues of Metternich and Talleyrand, diplomacy was the exclusive province of the sovereign, accepted as such by the public. This remoteness of foreign affairs from the daily life of the citizen is a thing of the past.

A second assumption is the sea change in the order of priorities among the several elements that make up international relations. While many of the familiar factors remain significant—political, defense, cultural—economic issues have come to dominate. This fact imposes a further set of priori-

ties: the vital role of Western Europe and Japan, which with the United States will determine whether the world's economic and financial system works or fails. This is no classic problem in bilateral foreign relations, but a question of "system", of viable international organization.

A third assumption is that the decline in the status and authority of the State Department is irreversible. As Secretary Rogers' peculiar regime illuminated this trend, Secretary Kissinger's personal, fortissimo performance temporarily obscures the Department's altered status, but does not change it. This decline only partially results from the supremacy of domestic economic and social factors. It is substantially due to the inevitable absorption by the office of the President of the tasks of intragovernmental coordination. With most domestic economic decisions profoundly affecting foreign policy and, conversely, the pursuit of foreign policy objectives requiring domestic economic adjustments or sacrifices, unless the State Department is to become a super-agency or an adjunct of the President's personal office, matters of such vital national concern must be managed at a level above that of the governmental departments. All of the major industrial nations experience similar decline in the prestige and authority of their foreign offices, and for the same reasons.

These are the forces that hasten the obsolescence of traditional diplomacy and its symbolic figurehead, the ambassador.

The Impact of Technological Change

Within a generation science and technology have had a revolutionary impact on traditional diplomacy. Electronic communication has eliminated distance. The jet aircraft has brought every capital within 24 hours of Washington. Thus the earlier isolation of the foreign mission in space and time, which enhanced the independence of the ambassador and extended his latitude for personal action, has been erased by modern technology.

The emergence of the pervasive media, visual and printed, has further circumscribed the ambassador's independence. Until the recent past governments and foreign offices had a considerable capacity to control the coverage of international affairs. In America, an isolationist tradition, a domestic press ready to accept the official dogma with respect to foreign developments, changed at the end of World War II. The media became a major factor in the conduct of international affairs. What an ambassador says or does, or is reported to have done, can become instantly known, and embarrassing, to his government. And as the media

limits dramatically the area of maneuver of the Executive, so this reporting curtails further the latitude earlier enjoyed by the ambassador.

The foregoing factors interact with the maturing of the principle of non-discrimination as a tenet of contemporary international practice. The Hull trade agreements program, with its most-favored-nation principle, cemented non-discrimination into American foreign policy. Discrimination was to become the unusual instrument of diplomacy, indeed a weapon. Hence, any action that favored or punished one country would, thanks to the combination of modern technology and the media, become quickly and generally known. It was no longer possible, on the basis of general instructions, for an ambassador to offer or deny economic benefits within the exclusive framework of a bilateral relationship. In short, every bilateral action now must be weighed to assess its international reverberations. This analysis and the conclusions to be drawn from it can only be done in Washington.

Multilateral Diplomacy

The development of multilateral diplomacy has been as striking as the foregoing, and has had equally dramatic effect on the conduct of American foreign relations. "Multilateral" covers a variety of international institutions, some of which we belong to, others of which we do not. The distinction is important. The organizations of which we are members—the United Nations, the OAS, the OECD, the new International Energy Agency—have the general pattern of a headquarters, resident American missions and periodic conferences involving delegations dispatched from Washington for limited periods. For organizations in which we are not members, for instance the European Community, the American role is different. It is similar to that of the traditional diplomatic mission, accredited to the organization in question with the duties of reporting, representation and negotiation.

The common denominator is a sharp change away from bilateral, nation-to-nation diplomacy. The areas of work tend to be specialized. It is the era of the expert, the technician who flies out from the capital for the periodic meeting and who is serviced by permanent, technical international staffs. All foreign offices have found it increasingly difficult to supervise effectively this technical work—in air safety, water pollution, allocation of broadcast frequencies; the experts and the detailed instructions originate in the competent substantive departments and agencies. For the State Department officers responsible for overseeing this work, the greater their immersion in the technical fields the

less they seem a part of the general work of the State Department. Thus, insofar as the Department is the protector of the embassies' interests, this association of the Department's specialists with the functional agencies alienates still further the ambassador and his staff.

As the incessant international conferences move away from the several headquarters such as New York or Geneva and descend on one or another foreign capital, an ambassador suddenly finds his embassy crawling with experts from the Federal Aviation Administration or the National Science Foundation. He and his staff are reduced to performing service functions—administrative support, communications to and from Washington.

Another variant of multilateral diplomacy is the protracted international conference with a defined task and presumed terminal date. This device has proliferated and the meetings can end up anywhere—Helsinki, Vienna, Geneva, Paris. A similar administrative load is imposed on the ambassador and his staff, although with unpleasant variations. The agenda of some of these conferences may be at the center of political relations as distinct from the predominantly technical work referred to above. Whether the issue is Vietnam or conventional arms control, the ambassador has less excuse for unfamiliarity with the subject and the results will frequently affect his normal responsibilities. At best he will be a supernumerary and his primary obligation that of discreet host.

Thus, multilateral diplomacy accelerates the diminishing role of the resident ambassador. The national state remains a pawn on the board, but the game is elsewhere, played out by different pieces.

Why the Sense of Obsolescence?

The changes and innovations outlined set the framework which diminishes, inevitably, the role of the ambassador. But other, more specific developments and actions have depreciated the currency.

Like all institutions, diplomacy moves under its own inertial force. Practices once pertinent, but now irrelevant, are thoughtlessly or stubbornly continued. The most obvious is the timeless charade of formal social activity which has become synonymous with diplomacy and occupies much of the ambassador's life—the incestuous receptions and dinners within the confines of the diplomatic community. It is a subculture established by tradition and carried on by traditionalists. The more irrelevant the social practice, the more frantic the pace. The indulgent public amusement of "Call Me Madam" seems lacking today.

America's peculiar process of appointing ambas-

sadors has contributed to the sense of their obsolescence. Happily enough, no other country follows our practice of using diplomatic posts, especially in Europe, as a reward for political service or contribution or as a means of dealing with an embarrassing domestic political problem. This may be a remnant of Jacksonian cynicism, of the conviction that public service is the only profession for which neither experience nor training is required. Some of the men and women imposed as American ambassadors on helpless foreign governments lead only to the conclusion that our Presidents have not regarded these appointments as serious. Statistics frequently employed to prove that career officers hold all but 20, 25 or 30 percent of the ambassadorial posts only demonstrate again how statistics can lie. In a disproportionate number of cases the political appointee has been named to the most important, certainly the most comfortable, foreign post. Whatever his innocence of foreign affairs, the big contributor or the evicted cabinet officer knows that the good life does not lie south of the Sahara.

It is impossible to take seriously positions the President treats frivolously. Over the years our chief executives have unambiguously proven that rather than assignments for placing abroad the President's alter ego, London, Paris and Rome are regarded as overseas fringe parking areas where awkward political problems can be temporarily stored. Indifference to adverse foreign reactions adds arrogance to this peculiar practice.

In this make-believe world one illusion is carefully nurtured: the ambassador as the personal representative of the President. The notion assuages the egos of career and non-career ambassadors and is furthered by their staffs whose personal dreams require that they share the luster that surrounds this fable. Normally no more than an oddity, translated into reality the illusion can become embarrassing. For instance, Graham Martin, when ambassador to Thailand, exercised the prerogative, insisting that as personal representative of the President he outranked the visiting Vice President, to Hubert Humphrey's astonishment and subsequent irritation. Episodes such as this disclose a diplomatic netherworld and contribute to the feeling that diplomacy as presently conducted is entirely obsolete.

Personal diplomacy, whether by the head of state or foreign secretary, was not an invention of President Nixon or Dr. Kissinger. But they dramatized a practice that had attracted and seduced predecessors and politicians holding similar positions abroad. There is no reason to believe that the glamor of the state visit or the excitement of personal diplomacy will diminish. Politicians have convinced themselves that the practice enhances their

domestic position; it certainly provides a momentary escape from realities at home. As with the diplomatic life in each capital, the state visit begets return visits. The increased tempo of these visits requires that they be described as "serious" and "working", designed to produce or seem to produce concrete results as contrasted with the formal, ceremonial excursion, without substantive pretension. Inevitably, the new genre must be intimate as well. This means the pruning of aides in attendance. More often than not, and at American initiative, the Presidential head of government tête-à-têtes or even those of visiting foreign ministers exclude the American ambassador. One result is the parallel exclusion of the ambassador of the other side. The result is devastating. Neither the American ambassador nor his foreign counterpart in Washington nor their respective staffs will have more than the most rudimentary or superficial account of the substance or the atmosphere of the discussions. No matter what the ability of the American representative or his personal status with the host government, his effectiveness cannot withstand this signal of a lack of confidence by his master. The cult of intimacy, secrecy and exclusion underscores the degree to which the ambassador has become irrelevant, particularly where serious matters are discussed. If the ambassadorial position were considered important and regarded as a consequential, continuing channel of communication, then both the President and the Secretary of State would deem it in their interest to impress upon the principal members of the other government that the ambassador was an esteemed, trusted colleague and obviously an indispensable part of the United States foreign policy machinery.

The aura of ambassadorial irrelevance is furthered by the intensified contacts between specialized ministers—especially finance and defense, but the fraternal relationship is spreading rapidly to officials in other functional fields. The generally technical nature of the business and the personal relationships developing out of attendance at international conferences and meetings, furthered by the handy telephone and airplane, lead to the present regime of personal contact. The American Secretary of Defense, meeting his counterpart at the NATO Nuclear Planning Group or at some military exercise, will generally have a closer personal relationship with these colleagues than with any American ambassador. Once again, the chief of mission is assigned the role of resort hostess for his cabinet visitor, offering his table for the working luncheon and opera seats in the evening.

The fact of mounting irrelevance is driven home by the ambassador's remoteness from most consequential international negotiations. Only if the matter is utterly trivial and local in nature will the task

be given to the local chief of mission, and then only under close instructions and with the physical support of Washington experts. But for the serious matters, where the side effects may be considerable, the rule is to dispatch negotiators from the capital. The ambassador, at best a silent observer, may be humored by polite inquiries, but he will not be a serious part of the delegation. Under Kissinger the practice has been refined to the point that on occasion the ambassador has been unaware of the Secretary's presence in the nation.

In a word, the ambassador is out of the serious play. He is rarely viewed as the best channel of communication with the head of government, he is not charged with the critical negotiating tasks, he is subordinated to visiting Washington officials and negotiating experts (visitors would be amazed if he had the temerity to offer substantive views), and—to make the message unmistakably clear—his expected duties are those of the hosteler.

It should be evident by now that the Ambassador is not a policy officer. He is remote from the Byzantine process which evolves the broad structure of American foreign policy, policy that will encompass his domain and control his actions. Even with respect to bilateral policy his recommendations will be only part of the raw material that will finally emerge as governmental policy. If he happens to be assigned to a country which Washington has ignored or where there is some unease due to changed local situations, then, without alternative, the views of the ambassador may be sought; he may even be brought home for consultation. But the pattern is clear. The ambassador is no more than one of the many sources of data that pour into the Washington policy computer.

Whatever the general impact of these developments, the problem posed for the American ambassador in Europe is intense. He must live with the conventional wisdom that every American is born with an innate feel for relations with Europe and that he knows Europe. There is also the constant ebb and flow of American and European officials across the Atlantic and that perplexing multilateral world of the European Community, the OECD and NATO, each of which casts him deeper in the shadow. The European Community would be a hard case for the ambassador to a member state even if the Community were organized and operated in a manner consistent with its rhetoric and ambitions. Rather, it is incomplete, confused and engrossed in detail; instead of European harmony there is general dissonance. The professional obligation imposed on the ambassador is to appreciate the almost visionary political objective, accept a most limited reality, and deal with this reality in such a way as to aid the Europeans as they struggle toward their grand ambitions. And this must be

done against Washington's loss of faith in a united Europe, impatience with the messy institutions and constant readiness to do battle against real or presumed European economic offenses. The dimensions of this task have proven to be well beyond the interest or the capacity of almost all ambassadors.

NATO, more familiar in substance and organization, nonetheless poses for the bilateral ambassador its own set of problems. All significant security and related political issues, whether bilateral or multilateral, cannot be considered outside the NATO context. Baffled by this larger world, the bilateral ambassador inclines either to be impervious to the fact that he knows only a part of the puzzle or, if he realizes this, to resent the incursion into his fiefdom.

And in the area which would seem the last preserve of the ambassador, political consultation, the multilateral inroads continue. The NATO Council, in permanent session, and its subordinate sessions of political counsellors have become the significant forums for the Atlantic dialogue on political problems of concern to the member governments of the Alliance. The system has the tone and ease of any "old boys' club". The bilateral ambassador is poorly positioned to challenge this well established system.

A new complexity has been added. The European Community or, more accurately, the Nine are evolving their own method of political consultation. At the official level it is conducted through the Davignon Committee, supplemented by periodic meetings of foreign ministers. As a result of the Paris summit in December 1974, three times each year the heads of government will meet, thus putting another layer on the political cake. This process is only vaguely institutionalized; rather than fixed in one site, it moves in random fashion from one capital to another. The mobility means that Washington cannot decide upon a set system in order to deal with the phenomenon. The nature of this political activity and the matters on the European agenda encourage Washington to cope with the problem by meetings between Departmental officers—such as the Assistant Secretary for European Affairs or the Counselor—and the Davignon Committee rather than using the embassies or American ambassadors.

As if this were not enough, there is the OECD with its myriad activities. For the ambassador who skims along the surface of political problems, the intricate, technical business of the OECD is not merely mysterious, it is repellent. The organization has never interested the American ambassador to France, despite its location in his territory, except when the Secretary of State or perhaps the Secretary of the Treasury attended one of OECD's periodic ministerial meetings. The ambassador's in-

volvement on those rare occasions has been invariably ceremonial. At one point the OECD ambassador was part of the NATO mission, indeed subordinate to the American chief of mission to NATO. The inability of the latter to manage such disparate functions, to say nothing of his uninterest in the economic field, led to a clean separation of the two. Thus another multilateral activity lies quite outside the range of the bilateral ambassador.

It is beyond the scope of this paper to examine the general operation of the embassies abroad. The target here is the ambassador. However, a word about the embassies' economic activities is in order. First, America's acute balance of payments problem, then the 1974 energy-related crises drew the attention of all but the most somnambulant ambassador—if these economic matters were all that important to Washington then the chief of mission should be doing something about them. As a magnetic field it has tended to attract the political ambassador even more than the career chief of mission. The latter, by and large, has been inoculated against economic matters, or finds comfort or escape in prodding his economic staff to more intense, if entirely routine activity. This staff, propelled by some inertial force, concentrates on economic reporting, servicing the demands of innumerable domestic agencies and export promotion. Indeed, the career officer who is finally established as ambassador is a testimonial to a system which rewards political specialists and penalizes the economic expert. As this is the way the promotional game is played, there is little incentive to master a difficult, technical field.

Baffled by the intricacies of diplomacy, obscurely aware of being superfluous to the larger designs of Washington, almost with abandonment the political ambassador throws himself into the battle to expand exports and defend American business. These are "his people" and what could be more patriotic than the advancement of America's basic commercial interests? It is instructive that most important American concerns operating abroad are prepared and prefer to take care of themselves. Hence, the end result of ambassadorial zeal can be either irrelevance or irritation. The trade promotion and trade protection function is drifting away from the government to the hands of consultants or banks where it belongs.

This is a pessimistic judgment of the ambassador today, particularly an ambassador assigned to a national mission in one of the advanced industrialized countries. Technology, evolving diplomatic practice and multilateral activity all lead toward redundancy. Only encrusted practice obscures this irrelevance. The indifference of the Foreign Relations Committee and the Senate to the qualifications, or lack of them, of ambassadorial nominees affirms the

inconsequential significance of the position. If there could be any doubt, Senator Sparkman, when Acting Chairman of the Committee, dispelled it when he commended Firestone, post-Watergate ambassadorial nominee to Belgium, for his public spiritedness in contributing over \$100,000 to the Nixon campaign.

Can the Ambassador's Role Be Redefined and Redesigned so as to Be Useful in Today's World?

Obviously, the ambassador, his functions and possible re-tooling make sense only as part of the general scheme of American foreign relations. For instance, if, by decision or indolence, it is decided to perpetuate the present organization and method of conduct of American foreign affairs, there is neither incentive nor need to agonize over the role of the ambassador. On the assumption, however, that substantial change in the basic structure and practice should and will be made, it should be clear from what has been said earlier in this paper that the kinds of ambassadors we appoint and their functions must change radically.

As far as the bilateral ambassador is concerned, again in the context of the advanced industrialized countries, his responsibilities should lie primarily in the analytical realm. His goal should be to know better and more intimately than any other American official the dynamics, the problems and the potentialities of the country to which he is assigned. This means the systematic development of personal contacts with the elite, those who shape opinion. "Elite", incidentally, while including ministers and their satellites in the capital, encompasses certainly those who have or may in the future have authentic influence. This description includes those out of power and, for instance in France and Italy, members of the Communist parties and Communist-dominated trade unions.

Concentration on incisive, detailed analysis and the human contacts to supplement this analysis would provide the basic material for the other significant tasks of the "new" ambassador: familiarity with the points of pressure where American policies or interests can be advanced; knowledge of the local scene so authoritative that the ambassador becomes an inevitable and indispensable part of any American negotiations which involve his country.

From these personal qualities and responsibilities flows the obligation to administer and lead an embassy of which the purpose is an extension of his own role. Rather than the present practice with the ambassador pursuing his own substantively in-

consequential social business or such specific tasks as the Department and his own staff think he can perform under instruction and without endangering the Republic, the future ambassador should be in fact the senior responsible officer and the intellectual leader of his mission. This implies administrative direction of the embassy.

If this is the evolution of the job, then what is the function of the deputy chief of mission? In the past, the methodical elaboration and expansion of the role of the DCM has been partly cynical, anticipating the appointment as chief of mission the naive politician, party benefactor or career officer coasting toward retirement. More creditably, the deputy has come to be the administrator and manager of the embassy, the engineer of a ship where each section has its established and defined tasks. His concern is more to see that these tasks are accomplished than to determine whether they are worth doing or even done intelligently. In many situations, where his chief is a political appointee, the deputy may serve as *chargé* for a good part of the time—to the common relief of his staff and the host country. He will also have the delicate and frequently difficult job of nurturing the illusion that the ambassador is authentically in charge and understands what his embassy is doing. No one should deprecate the challenge of this assignment or fail to give credit for the admirable way in which the function is generally performed.

But under the revisionist theories advanced here the DCM's role changes. It may become even more difficult. The more the ambassador is the actual leader and administrator of the embassy, the more he reduces the heretofore central position of the deputy. Indeed, the DCM would enjoy all the frustrations that are the curse of any deputy. His primary function would be to fill in when the ambassador is away or to perform specific tasks assigned to him by his chief of mission. He would no longer be the chief executive officer of the embassy. Because of the peculiarities of the present arrangement, the myth exists that the DCM will possess those administrative skills the ambassador lacks. If future ambassadors have the intrinsic qualities premised here, they will have as much administrative ability as any deputy. In point of fact, authentic administrative talent is one of the rarest human attributes, and one should have a low level of expectation that men such as General George Marshall will appear frequently on the scene as ambassadors, deputies, or secretaries of state.

The qualifications to be sought in the ambassador would appear to be these: First, one assumes extensive and intensive experience in foreign affairs. Generally this competence will have been acquired in the career service, but it may also be the result of work outside of government—in aca-

demia, foundations, business, or law. The postulate is that foreign affairs is a serious, valid, responsible field of human endeavor like medicine, law, or plumbing. The notion is rejected that a successful housing contractor can pick up this expertise in on-the-job training once he arrives at his post.

Second, in addition to a general knowledge of foreign affairs the future ambassador will have to be well grounded in international economics. It should be emphasized that there is no necessary correlation between business experience and the kinds of economic knowledge which will be a prerequisite to the modern ambassador's effective performance.

Third, he must also know and have a feel for the way the American government works—the mechanics of the State Department, the interdepartmental relationships and pressures, the White House and, perhaps of greatest importance, the workings of the Congress. And this least static of all fields will require constant up-dating, necessitating frequent visits to Washington, contacts with each point of political power and, again, especially with the Congress.

Fourth, another essential area of knowledge is the multilateral system. He must know what it is, how it is supposed to operate, how it actually works, why it is important, what American policy is toward the system; and, specifically, he must appreciate how bilateral relations fit into this system. Granted this is like insisting that a Catholic priest know and sympathize with an evolving ecumenical congress. In Europe, for example, the bilateral ambassador must recognize that in certain areas, frequently the most critical, he must work for the subordination of the national and bilateral interests within the multilateral system. He may find even more difficult the need to accommodate himself to the superior substantive knowledge of the multilateral ambassador and accept the latter's judgment on tactics.

The bilateral ambassador is part of a complex, dynamic process of change in which the multilateral system grows in importance at the expense of the nation state and, coincidentally, of that notable symbol of national sovereignty, the ambassador. Furthermore, this icon of sovereignty must henceforth see himself as one part of a field operation, of a team, with others directing the play.

Fifth, this prescription assumes that the ambassador will possess the qualities definitively enumerated by Harold Nicolson, especially the diplomatic temperament. At heart, this is the capacity to understand the other man's point of view, his goals, interests, problems and frustrations without losing sight of American interests and policies. It is the command of this material, conveyed persuasively to Washington, that establishes the limits and opportunities of American policy. As economic and social

factors increase in importance, the ambassador must extend the range of his interest well beyond the fusty embassy-foreign office connection to the whole field of governmental ministries and programs.

The foregoing might seem to ignore the classical diplomatic problems. In fact, any ambassador must be equipped to cope with an internal political upheaval, war, the evacuation of American citizens, etc. While the likelihood may be remote, he and his staff must be prepared to meet such crises.

The ambassador assigned to one of the multilateral organizations must have all of the foregoing qualities, skills and more. The NATO job demands an extensive knowledge of military strategy, hardware and organization, as well as a sophisticated grasp of the major political issues and policies that impinge on the Alliance. Assignments to NATO have been taken seriously by other governments, with ambassadors kept in place for considerable periods of time. Almost without exception other members of the Alliance have nominated senior career officials. The United States has generally turned to non-career people, partly to insure status and access to the President. What Ambassadors Ellsworth and Rumsfeld lacked in knowledge and experience they made up in proven political skill, intelligence, the capacity to learn and their standing in Washington's political hierarchy. David Kennedy proved that an ambassador could lack all of these and, in addition, have slight interest in the job.

The ambassador to the European Community must know intimately the goals, personalities, organization and involved procedures of the Community. To be effective he must be more than the detached observer of a complex economic-political entity; he must be intellectually sympathetic to a great European experiment. As much of the work of the Community is economics at its most technical and complicated, his interest in and mastery of this art form are essential.

The OECD job calls for many of the qualities of the ambassador to the Community but needs, in addition, the forbearance a man who derives much of his professional satisfaction from directing the performance of others. In oversimplified terms, the OECD is no more than a forum or a device for dealing with major economic problems. It is a continuing process bringing ministers or high officials of the member governments together to examine economic issues, seek out possible solutions and attempt to develop a consensus among the advanced industrial countries. The theory is that common policies may emerge from the involvement and give-and-take of officials from capitals charged with similar responsibilities. The OECD ambassador is the producer and director of the American side of this economic repertory theater. Yet only

part of his duty is the management of the Washington contingent. If the OECD is to be effective the American ambassador must inspire, lead and organize the other delegations. Without American leadership the organization will be lifeless.

The OECD operation is unique and can only be handled effectively by a man experienced in the workings of the American government, respected by Washington cabinet officers and senior officers for his economic competence and knowledge of the OECD mechanism. If the OECD man is without standing and authority, he will be unable to attract his American colleagues to OECD meetings, and without their presence the organization loses its meaning. Up until 1972 the United States assigned experienced officers, competent in economics, to the OECD position. The position was then left vacant for over a year. After this hiatus a non-career ambassador was appointed; innocent of knowledge of the OECD or Washington. All of this gave further evidence that Washington had no interest in the organization.

There are certain things the future ambassador should *not* be and should *not* do. He is not America's public relations officer, roaming the foreign countryside selling himself and the United States. Large, complicated and dynamic foreign societies are highly resistant to PR campaigns. Indeed, intensive polls of European opinion about the United States show an extraordinary propensity of the European to ignore the persistent urgings of his own government and national media as to what his attitude should be toward the United States. After years of Gaullism and its open animus toward many things American, the Frenchman stubbornly clung to his own, peculiarly friendly regard for the United States. The public relations gambit is an easy escape for the non-career ambassador, for as a businessman or politician it is a familiar way of life. It can consume all the energy of the most insatiable ambassador. It is an activity to which the resources of the embassy can be easily rallied. If one concludes that the objective of foreign policy is good relations, then the techniques of the advertising agency become the new tools of diplomacy. Good relations may be abstractly desirable but as a practical matter irrelevant. We should have learned this, if nothing more, from a decade of General de Gaulle. If the ambassador should perform the tasks outlined here, the public relations function is distinctly secondary. In this new role of ambassador he may establish the image of a serious, competent and responsible representative of the United States and coincidentally grace the profession and his country. At the same time he will in all probability frustrate and irritate the garden clubs and diplomatic community by his unavailability for the spring tours and national days.

It must be accepted that under the best of circumstances the ambassador will be only peripherally involved in the design and direction of American foreign policy. On the other hand, he should be given a significant role with respect to tactics, an element critical to the effectiveness of foreign relations. In recent years the leash has been short and the ambassador on a choke collar. It has become habitual for Washington to issue instructions to an ambassador in the same painstaking detail normally used in parental guidance of very young and potentially wayward children. It is essentially absurd to believe that the blueprint for tactics can be intelligently formulated in some Washington darkroom. The management of American interests with the foreign government is the one area where the knowledgeable and experienced embassy should have primacy. Contrariwise, precise, inflexible Washington instructions, written by officers and committees whose attention is riveted on inter-departmental competition and the effect of any action on the array of Congressional pressures and interest groups will invariably subordinate the chances of actually achieving the American objective to the making of a domestic record.

Within the broad framework of responsibility for tactics the ambassador must regain control of visiting delegations. Today, as hosteler, he is subject to laws which insist that he accept all those who seek bed and board. He must be able to object to a proposed delegation and indicate why its dispatch or its composition or its timing may be adverse to American interests and even contrary to the purpose of the enterprise. Obviously, in certain circumstances there may be overriding reasons, known only to Washington, dictating the visit despite the valid objections of the ambassador.

There are related dangers in this absent-minded conversion of the ambassador into a passive, acquiescent clerk. As America becomes more inward-oriented, quasi-isolationist, the inclination to solve or ease domestic tensions by exporting them can take on epidemic proportions. It is routine in the trade field to attack foreign behavior and practices in order to curry domestic favor, to show stout-heartedness and American bravado. Those few who are honest enough to admit the excess of the American charge or the likely outcome of harmed relations insist that this is the price to be paid to placate domestic forces. Any democracy will demand some of this. The risk is real that the anti-internationalist trend in the United States will encourage even greater use of this nasty practice. The ambassador should be one brake on the excesses of this habit.

Earlier reference was made to the puffery of the ambassador as the "personal representative of the President". This is, today, quite clearly a conceit.

The demands on the President's time are such, his taste for personal diplomacy so highly cultivated, that any reversal of this situation to the relationship between Renaissance prince and royal agent is entirely improbable. Should a well placed and feisty ambassador decide to appeal over the head of the Secretary of State to the President he would do so at considerable peril. Only a Franklin D. Roosevelt, with a Florentine taste for intrigue and contrived confusion, would decide to embarrass his senior and resident foreign affairs adviser. It would have to be the most arrogant or obtuse ambassador who would wish to alienate the man who controls and supervises his daily life.

One argument for perpetuating the myth is to enhance the ability of the ambassador to control those officers on his staff who are employees of one or another domestic agencies and to strengthen his hand against invasions of Washington delegations. This is not a particularly persuasive argument. Short of sustaining illusion, there would seem to be other means of achieving these worthy objectives. The President and the Secretary of State can lay down and enforce the rule: the ambassador on the ground has full authority. If the chief of mission is experienced and competent, exercises his command intelligently and is supported by the President and Secretary, the shaky crutch of "personal representative" could be gently discarded.

Conclusions

A subordinate but recurrent theme in this dirge is the casual manner in which the Congress accepts and even abets a system within which the ambassador has become an expensive anachronism. At a time when the nation questions all government, looks hopefully for both honesty and competence in its elected and appointed officials, the Senate could assist greatly in the responsible conduct of foreign relations (and its own image) by indicating its intention to infuse the words "advise and consent" with meaning and that in the future the Committee will confirm only fully qualified nominations. As I have proposed elsewhere, the Foreign Relations Committee could borrow from the procedures developed by the American Bar Association to review, informally, proposed nominations to the judiciary. The Foreign Relations Committee could establish a senior, nonpartisan panel of private experts to review presidential nominations prior to

formal consideration by the Committee. The panel would be expected to advise the Committee whether the candidates met minimum qualifications for confirmation. The first act of such a panel would be to develop in cooperation with the Committee the criteria to be used subsequently in judging the nominations. When the Committee under Senator Fulbright made a timid and more limited effort toward this objective it encountered Administration resistance and the reform movement collapsed. It would be nice if the Senate were to take seriously its Constitutional duties. But it seems unlikely that anything of the sort suggested here will be initiated by the Congress in the absence of interest and support of the Executive Branch.

An objective appraisal of world trends and present American instincts and practices leads to the conclusion that the ambassador of the future will play a more limited role than the pompous illusion of the President's alter ego abroad, or the inflated image of a policy-maker working in tight partnership with the Secretary of State. If the new ambassador is to be useful he must be a modern, highly professional man, knowledgeable in economics, expert at his business, particularly with respect to the country or organization to which he is accredited. This implies a considerable time in place. From this base he should become a major source of information and insight and, thus, an important part, but only a part, of the policy-making process. His impact on policy will derive from his mastery of his profession and sure knowledge of his specific assignment, not from his title or social graces.

A reconstructed embassy, with different, more limited and specialized functions, and a renovated, modernized ambassador will be exceedingly difficult goals to achieve. All of this change goes against tradition and the momentum of the service. It would cause reexamination of shabby domestic political mores to determine whether the interests of the country are actually served by a process of appointment which puts knowledge and competence at the bottom of the list of qualifications. Such a revolution must work against a massive, silent conspiracy among all diplomatic establishments, whose self-interest it is to perpetuate and enjoy their baronial, genteel obsolescence. The best that might be hoped for would be to set a new direction. Even this modest goal has not the slightest chance of success in the absence of conviction on the part of the President and the Secretary of State, supported by the Senate, that American foreign relations demands a new orientation and approach.

The Organization and Management of United States Overseas Missions—Issues and Options

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I. INTRODUCTION

This paper seeks to identify some of the issues present in the organization and management of U.S. overseas missions and the options available for change. It also examines the reflected efforts on Washington organization and operations of such changes. It assumes the detailed history, theory, and the options for organization in Washington will be covered by other papers. It refrains from suggesting preferred solutions.

The Department of State, and to a lesser extent the Embassies and Consulates, entered the 1940s ill prepared for the diplomatic demands of the war years and the peace which followed. The Department's style and methods were geared to the late Nineteenth and early Twentieth Century (symbolized in the ceremonial annual retirement of files of certain vintage years which appeared in the building corridors tied in red tape soon after the turn of the fiscal year). The Department's greatest asset was a group of young officers who had been carefully recruited and well trained. While frequently frustrated by the Department's outdated methods, they benefited from membership in a small service and from a hand tailored and thoughtful assignment policy.

The Roosevelt and Truman administrations, after a trial, gave up on the State Department and turned to new agencies and other Departments, to new people and new organizations of a semi-public character to deal with Foreign Affairs problems. Efforts were made to return functions to the Department of State in this period and in succeeding years but with little long term effect. While some of these decisions were based on Congressional desires, or the preference of a particular Secretary

of State, most resulted from lack of ability or preparation by the Department or failure of its political leadership to move aggressively to improve methods and management. The result was a diffusion of Foreign Affairs authority in Washington and overseas.

When the State Department sought to reorganize itself and to improve management both in Washington and overseas, it moved hesitantly and with too great concern for the views of some of its older officers. Some of the changes were ill considered or the product of brokering and did not greatly improve the Department's performance. Efforts to improve the organization from outside through several commissions also had mixed effect.

Failure of the reorganizers and managers to recognize the degree to which the functioning and organization of the Foreign Affairs Agencies rested on tradition and status contributed to resistance to change and to less than full implementation of reforms. While these considerations are less important today, the desire for continuity, stability, and known relationships seems to be a natural attribute of Foreign Offices. It cannot be ignored in making changes internally in the agencies and in their relationships with each other.

Some of the reorganization errors were caused by efforts to apply "relevant" experience from business, domestic government agencies, foundations, universities, the church and the military. Much in the experience of those institutions is transferable, but care is needed in applying it in the Foreign Affairs Agencies and the Foreign Service.

A proposed Foreign Affairs organization for the 1980s should reflect the problems likely to be encountered, an estimate of the degree of continued U.S. involvement overseas, the state of the domes-

tic economy, and the probable behavior of other nations, among other things. These are difficult projections. Based on limited information, and an inadequate capacity for foresight, the following assumptions have been made for the end of the 1970s and the early 1980s:

1. Serious United States economic problems will require the State Department and the overseas missions to give greater priority to economic factors in foreign affairs. These economic problems may have been publicly overstated; nevertheless solutions will not come easily, and preoccupation with energy, trade and new material sources, as well as inflation and recession/depression will continue well into the 1980s. Reductions in the standard and quality of life will be resisted and will affect the willingness of Americans to concern themselves with problems outside their own communities.

2. Although improvement is possible and to be hoped for, the present political tensions are likely to continue and may worsen. The threat of widespread hostilities will remain but will take second place to preoccupation with economic issues.

3. Economic and other factors will reduce the number of individual Americans traveling abroad for education, business and pleasure. For similar reasons the numbers of aliens visiting the United States will not increase, although significant shifts in countries of origin will occur.

4. As a result of budgetary pressure and the demands for personnel for domestic programs, the numbers of agencies and personnel of U.S. domestic agencies traveling or stationed will decline.

5. The United States military stationed overseas will shrink substantially under pressure of technological change, budget limitations, and political adjustment.

6. The tasks and need for overseas location of the "Intelligence Community" will decline as congressional and executive oversight are tightened, budgetary limitations introduced, technological advance is reflected, and low priority and high risk projects are dropped. In the longer run this may require an increase in the non-covert reporting from abroad.

7. The reduction of U.S. public interest in Foreign Affairs and the decline in support for public and private humanitarian and nonprofit activities will reduce the numbers of private Americans living abroad in spite of a continued increase in business personnel. Coupled with this, however, there will be an intensification of interest in a few specific humanitarian activities.

8. Declining public and budgetary support for International Organizations will require fewer officials to participate in projects, studies, and

other programs of those agencies. This may be offset in part by greater public demand for closer U.S. oversight and control of the agencies.

9. A decline in public understanding and support of Foreign Affairs and a turn toward isolation will reduce financial support for the Foreign Affairs Agencies, increase criticism of "excessive numbers" of official Americans abroad, and sharpen public irritation when things go wrong in U.S. relations with other countries. The rebuilding of confidence in the leadership of the Federal government and of the Foreign Affairs Agencies will be difficult and slow. Suspicion of the Central Intelligence Agency and other intelligence operations overseas will increase and will extend to all the Foreign Affairs Agencies.

10. Continuing increases in the costs of overseas missions and balance of payments problems will maintain budgetary pressure for further reductions in the size of overseas missions. The principle of host country ceilings on foreign diplomatic missions is likely to be revived and extended.

With this background of assumptions it may be useful to explore the issues of organization which now face the agencies, proceeding from the general to the specific.

Issue I.—Centralization (Washington) Versus Decentralization (Overseas Missions)

In theory, the general principles of headquarters/field organization used to establish and define relationships in large business organizations, the military and domestic government agencies should apply equally to the Washington/overseas mission relationships of the Foreign Affairs Agencies. However, the problems dealt with by the Foreign Affairs Agencies are less subject to control and require more discretion, subtlety, flexibility and personal intervention. They are more complex, less definable, more difficult to anticipate and less measurable than those of business or domestic government. The work of these agencies is probably less understood, more subject to criticism by the press and the public, and certainly has more subtle psychological nuances than that of the military or the business community overseas. For example, the construction and operation of an oil refinery or military station abroad is not dissimilar to the building and operation of such installations in the United States. In fact, some segments may be less difficult to manage abroad than at home. There are accepted standards of performance and fiscal return and, except for those adjustments required for language, cus-

toms and local politics, the same systems, skills, and personal qualities which bring success in the United States will achieve equally good results overseas.

The reverse is true in the conduct of relations between governments. The adjustments for local sensitivities, language complexities, and ambiguities, local customs and patterns of thought constitute the larger part of the task. The common management elements, while important, are the lesser part of the basis for success. The standards for judging the quality of performance are more difficult to establish. The transfer of domestic success in business, government, or academic life does not assure success in the conduct of Foreign Affairs. Those who have succeeded in this transfer have been prepared by training, unique experience, or have rare sensitivity to these differences. Similar Washington based senior officers of the Foreign Affairs Agencies without overseas experience have not found it easy to handle senior responsibilities abroad.

Even given these observations, the general principle of maximum delegation from the center to the field is sound. It has worked when sincerely and fairly tried. Before a modern rapid communications and transport, the Foreign Affairs Agencies had no alternative to delegation. The agent, Ambassador, Minister, or consul, was so far removed from his principal and his headquarters that he had to be trusted. He had to make his own decisions. The government was completely dependent upon his skill, energy, and judgment. Most of the time the delegation was successful.

When the second World War brought greatly improved electronic communication and transport a choice between delegation and centralization became possible. With the United States within minutes of most parts of the world by cable and at most a few days by plane, decisions not only on policy but on detailed operations, methods and approaches could be reserved to Washington. Increasingly, overseas missions were directed on details rather than on general principles or objectives. In turn they began to report developments in great detail. The work load in Washington began to build.

Nearly every Secretary of State in recent times has announced his intention to strengthen the Ambassadors and the overseas missions; to delegate authority to the Ambassadors and the field. Yet, every Secretary of State since George Marshall has ended his term of office with a greater degree of centralization of authority, negotiation, operational decision, and administrative detail in Washington. Similar development has occurred in other Foreign Affairs Agencies. In fact, many of them have insisted on the resolution of differences in Washington rather than at the overseas post. The zest for travel, not for information and inspection, but for

decision making has infected the Secretaries of all Departments. The burden of distinguished visitors, both executive and legislative, has required special procedures and the designation of special officers, not only in the Western European Embassies, but in many smaller and more remote embassies as well.

Secretary Marshall and his Undersecretary, Robert Lovett, came to the Department of State with a clear and firm policy of delegation both in Washington and between Washington and the field. This policy has developed as a result of their war time experience in the leadership of the armed forces. General Marshall had resisted strong demands that theatre commanders be directed in detail from Washington and his policy had succeeded. He applied that experience and policy in the Department in establishing the Marshall Plan, in the relations with U.S. delegations to international organizations and in his relationship with U.S. Ambassadors. Authority was placed in the field and innovative devices were developed to assure that the delegation was maintained but also fulfilled. This period was probably the period in which the State Department, and as a result, the other Foreign Affairs Agencies, achieved their highest performance. Both the Secretary and Undersecretary were managers in the best sense. Secretary Acheson sought to continue in this tradition, but his own experience as a lawyer, with McCarthyism, the China Lobby, the resultant detailed congressional oversight, brought centralized decision making in Washington.

Succeeding secretaries, in spite of attempts to reverse the trend, increasingly centered decision making, intelligence evaluation, and administrative determinations in Washington. Increasing public and congressional criticism restricted funds and sharpened demands for immediate answers, all of which encouraged centralization.

At present, overseas missions and their chiefs, with limited exceptions, have little authority. Decisions are made, intelligence is evaluated, policies initiated, and approved, and negotiations are conducted almost exclusively in Washington or by visiting dignitaries traveling overseas.

As might have been predicted, this has resulted in declining morale in the missions, increased bucking of decisions to Washington, fewer recommendations to the center, and a decline in quality of those still made. It has frustrated many of the ablest officers who are retiring early and quietly in large numbers. Many of those remaining take out their frustrations in futile and annoying (to Washington) dissents, and other less professional behavior. Team endeavor is lacking, as is the zest of participation. This effect snowballs. The burdens on the top of the organization at the center increase dramatically. Opportunities begin to be missed, errors of

judgment occur, administrative performance declines, and press and public criticism increase. The most frequent remedy is further centralization, less sharing of information and greater burdens on an ever smaller group of senior officials. Logic indicates the proper remedy is the reverse; a greater sharing and delegation of authority with proper safeguards and controls.

In that case, why has only one recent Secretary of State achieved this desired goal although many have given the principle lip service and several have seriously tried to make delegation work? Is it the personality and training of the official, both political and career? Is it the nature of the relationships between President and Secretary of State? (One can delegate only if one receives a delegation with authority to delegate.) Is it the intractable nature of the subject matter? Do other countries thwart the attempt to delegate? Has the "communications revolution" in fact made delegation in foreign affairs impossible thanks to instant electronic journalism?

All these questions have relevance. Certainly the personalities of Presidents and their relationships with their Secretaries of State and other close subordinates have been a major influence. Certainly some Secretaries of State and many Foreign Service Officers have been ill prepared by training and experience to make decentralization work. Many officers have been weak in the management skills, have been timid about accepting authority and responsibility, and have lacked the judgment to relate decisions and actions to domestic and broader international political considerations. Only a few Secretaries of State have had executive experience in the direction of large and complex organizations.

Nevertheless, this is a fundamental issue which requires settlement. To restate the issue: Should the President and the Secretary of State seek a planned and conscious decentralization of authority, policy formulation, negotiations, and operating decisions in the field of Foreign Affairs? If so, should this delegation be a general one, applying equally to all missions or should it be (a) in certain cases to and through regional offices or senior regional ambassadors; (b) to major embassies only; (c) only to certain geographic regions; or (d) only with respect to certain subjects, reserving others to Washington.

Option 1

A full delegation of authority, publicly announced and conscientiously supported and enforced by the President and the Secretary.

This policy would reinvigorate the field services of the Foreign Affairs agencies and greatly lighten

the day-to-day burden of senior officials in Washington. It would produce greater innovation and many new ideas as additional people find themselves involved in policy and operational decisions. It would improve morale, increase productivity and efficiency, and supply the catharsis of accomplishment.

In opposition to these claimed benefits, one may fear that the change would leave the President and the Secretary with final responsibility but with lessened authority. Irreversible decisions affecting their interests could be taken by others without consultation. They could lose access to information and lack the direct contacts needed to make wise general decisions.

It will also be claimed such a policy is impossible to maintain. It involves too many self-denials of opportunity to intervene for public relations reasons or to avoid what is viewed in Washington as error. It would require prompt discipline and removal of both career and non-career officers who fail to accept delegation or who abuse it. It would mean removal of officers who fail in judgment or discretion. It would require strong support for those who fail because of honest error or other uncontrollable circumstances. A difficult self-denial of field visitation would be required. An efficient inspection, reporting and control system operated at a level which would not destroy the delegation would be needed. A greatly improved communication flow from Washington to the field and reverse would be essential as well as a drastic reduction in the security controls imposed on information in recent years. It would require much greater discretion by field personnel in contacts with media representatives.

Option 2

Continuation of the present highly centralized arrangements with a shift of personnel to Washington.

This option would provide good performance on major issues at a certain cost. It would task heavily both principals and supporting personnel at headquarters. It would leave some problems unresolved or would deal with them inadequately. While it would be ego building for those near or at the center, it would be destructive for those on the periphery. It would provide little opportunity for field personnel to grow.

It would provide flexibility, innovation, and prompt response in dealing with a limited number of problems. It would permit prompt reallocation of resources to deal with new problems. It would make possible close control of public relations and simplify relationships with the media. If properly used, it would permit greater public understanding

and support. It is less subject to unplanned leaks of information and would permit a tightened security cover for important decisions.

It would place heavy physical and mental strains on those at the center and thus would be subject to failure as a result of fatigue or strain. It might leave problems unnoticed or unattended.

It would have the advantage of according with recent trends in the Department of State. With more than half of the Department's American personnel now in Washington and with increased reliance on information from sophisticated intelligence, there is less need for field personnel. Evaluation and decision making now take place primarily in the center and this would be increased under this option. If coupled with a greater delegation within the Department (see discussion under issues relating to the Ambassador) the burden on the most senior officials would be tolerable.

Option 3

Selective centralization by subject or geographic area with full delegation in other areas.

This sophisticated approach would be difficult to systematize but would take into account the probability of special interests on the part of the President, the Secretary of State and other cabinet officers. They would be able to reserve for treatment in Washington those area problems or subject problems of greatest interest and to delegate the others. For example, all questions involving Europe might be dealt with in Washington while those involving Africa would be largely dealt with in the field under broad policy direction. Or, energy questions would be separated from other economic questions to be dealt with only in Washington. If the segregation were clear, field personnel would still be able to exercise substantial authority and would know where they stood. Everyone would know that every detail of Middle East questions should go to Washington while Inter-American questions would be primarily handled by the Ambassadors. It would share the load between Washington and the field more equitably.

The disadvantages would be the complexity of the arrangement and the need for a constant shifting of responsibility between the center and the field as topics declined in interest or loomed larger in Washington's perspective. It would require a flow of information and a control mechanism which does not exist.

Option 4

Delegation of authority selectively to Chiefs of Mission accredited to regional organizations or to senior Ambassadors in certain areas.

This, again, is a sophisticated approach involving

difficult personality adjustments and the need for complete understanding of relationships both in Washington and the field. It could involve, for example, assigning Western European affairs, with some exceptions, to the U.S. representative to NATO accompanied by a shift in staffing. Washington could retain other European questions but would look to the NATO representative for initiatives and advice on policy affecting Western Europe. In Africa two or three Ambassadors could be given regional responsibilities. The Ambassador to Nigeria could be responsible for U.S. relationships with West Africa while the Ambassador to Kenya could be the focus for policy as it affected East Africa. The Ambassador to Zambia could be responsible for Southern Africa affairs. Such arrangements would require restaffing and charges might be substituted for certain present Ambassadors in other countries. Similar groupings could be made in South Asia and Southeast Asia.

This proposal would have the advantage of delegation but would still permit the Department to exercise control since the authority would go to a small group of officials. It should save some money if implemented vigorously.

It would have administrative and human relations problems. Sweeping changes in, or transfers of, Ambassadors would be necessary. An effort to adopt such a policy as this on the initiative of one Ambassador in South Asia did not get off the ground some years ago because of the objections of other neighboring Ambassadors and some of the neighboring countries, once they learned of the plan. Similar objections could be anticipated.

A decision on the decentralization issue will affect other issues and options but many of them stand on their own merit. The interrelationships will be apparent from the discussion of other issues which follows.

Issue II.—Consolidation Versus Diffusion

In the 50 years of existence of the Foreign Service there has been a continuing debate and at times fierce bureaucratic struggle over the degree in which the Foreign Service, and to a lesser extent the Department of State, should encompass all of the elements of the conduct of United States Foreign Affairs. Various functions, information, cultural affairs, technical assistance and economic aid, military assistance, have at times been in the Department and at other times detached. The Foreign Service has been at times fragmented and at times it has been nearly unified. The integrated service established in the mid 40's lasted until Secretary of

Agriculture Benson prevailed on the President and the Secretary of State to separate the Agricultural Attachés from the Service so that they might be more effective in selling surplus agricultural commodities. More recent efforts to separate the Commercial Attachés and Economic Officers and the Consular Officers have been rejected by the President. Proposals to separate the Administrative Officers and attach them to the General Services Administration or the Executive Office of the President have not been pressed in recent years. The last of the intelligence functions of the Service were transferred to the Central Intelligence Agency some years ago. In recent years, because of budgetary pressure, portions of the economic and political reporting previously done by the Service have been transferred or picked up by that agency. Other smaller agencies have sought from time to time to take over some of the Service's functions, in some cases with success.

The United States has not been alone in seeking a solution to this organizational problem. Almost all of the developed nations and several of the larger developing countries have tried various solutions. There is some indication that the Eastern European countries have somewhat the same organizational dilemma. Unfortunately there is not sufficient pattern to other governments' solutions and attempted solutions to provide a clear guide for the United States.

Some of the past decisions have depended as much on the personal views and personalities of cabinet officers as on the merits of the issues and the alternative solutions. The discussion of proper organization for economic development and technical assistance has been on a different level. Here, the reluctance to consolidate has been that of the Foreign Service and the concern of many officers that service in AID or in the U.S. Information Agency would dilute their expertise and lengthen the period before their promotion. USIA achieved career status for a separate service after being rebuffed in its effort to consolidate with the Foreign Service. AID, in part because of Foreign Service opposition and in part because of Congressional doubt, was unsuccessful in its effort to bring its officers into the career Foreign Service.

There is a valid case to be made for a small Foreign Service as well as for several alternate options. To pose the question: Should the President and the Secretary of State seek to reduce the Department of State and the Foreign Service to the performance of minimum essentially diplomatic functions leaving all other duties to be performed by other agencies with their separate foreign service arms abroad? If so, what should be the relationships between the services on such questions as allowance, salaries, rank, method of selection, rate of promotion, and

the prospect of achieving the rank of Deputy Chief of Mission or Ambassador.

Option 1

Restriction of the Foreign Service to the performance of diplomatic and political functions. Other functions would be assigned to domestic agencies of the government, i.e. economic and commercial work to the Department of Commerce, administrative services to the General Services Administration, consular functions to the Department of Justice. Consequential adjustments and transfers from the State Department to the other agencies would follow. AID and USIA would become completely independent. Communications would be transferred in their entirety to the Central Intelligence Agency.

This approach would return the Department and the Foreign Service to the situation of some years ago. It would permit the Department and the Service to concentrate on diplomatic and political questions and the coordination of other agencies' activities abroad. It would shrink the Service and the Department to "manageable" size, greatly reducing the Secretary of State's management and administrative burdens. He could have a closer personal relationship with more of the officers of the Department. The communications problem would be greatly reduced as would the complexity of the Department's tasks. The Ambassador also would have less concern over other programs and the personnel of other agencies. His authority would be general and ceremonial.

The officers of the Foreign Service would be generalists. They would leave most of the work abroad to officers of other agencies who would perform the specialist functions. All officers would receive comparable pay and allowances administered by the General Services Administration. This situation is not too far removed from the situation that exists at some posts overseas today, except that State Department specialists administer some of the functions which would be transferred to other agencies.

Doubts could be expressed about the ability of a small service of generalists to produce sufficient leadership for all U.S. missions abroad. A question could also be put as to the probable ability of generalists without administrative or management experience to coordinate and give direction to the work of other agencies abroad. Given the great importance of economic considerations, it would seem unwise to remove all economists from the Department and the Foreign Service. Doubt might also be raised about the responsiveness of the proposed administrative services. Criticisms of "elitism" might also be expected to recur. Further concern might be expressed whether a limited group of gen-

eralists could fully staff the Department of State, although it would be possible to return to a substantial Civil Service cadre of specialists in the Department, or to borrow officers from other agencies.

Option 2

The transfer to the Foreign Service of nearly all overseas positions (excepting only those requiring very specific technical training, i.e. military specialists, covert intelligence operatives, or those with oversight responsibilities such as the General Accounting Office auditors).

The Service would thus encompass the present overseas employees of U.S. Information Agency, the Central Intelligence Agency, the Federal Bureau of Investigation, the Agency for International Development, the Treasury, the Department of Agriculture, the Library of Congress, the Department of Health, Education and Welfare, etc. Selective transfers of the Washington backstopping offices for those services would also be required. This would also require the Service to staff not only the Department of State but certain positions in other agencies.

The solution would result in economies of personnel and money as duplicate structures would be eliminated. It would enlarge the Foreign Service both in numbers and skills. It would greatly strengthen the Service's ability to deal with the problems of the late 1970s and early 1980s. It would end the present areas of competition and often duplication, i.e., Embassy Political Sections/Central Intelligence Agency, AID, Treasury, Agriculture/Embassy Economic Sections. It would provide a broader base both in numbers and experience for the selection of career chiefs of mission. It would standardize allowances, salaries, and the treatment of employees in missions. The Ambassador would have clear command control over all Foreign Affairs personnel in his country.

This option would make information collected by missions available to all agencies. Many departments other than Agriculture have a need for the information collected by the Agriculture attaches, for example. It would also end the anomaly of the separation of the cultural and educational offices in Washington from the field services they are supposed to support.

Opposition to this option would arise in part from suspicion that the Department of State would not share all information with other agencies; that functions other than those of primary interest to the Department of State would be given low priority in money and personnel assignments; that the field services would be less responsive to the needs of the domestic departments. It also would make ca-

reers in those departments less rewarding by denying opportunity for overseas service; in reverse it would provide only limited careers for specialists serving in the Foreign Service.

Option 3

Continuation of the present arrangements with minor modifications.

This option blesses the status quo which has worked fairly well. It disturbs neither agencies nor people. It could be used to improve the present situation by shifting certain functions, i.e., consolidating Embassy economic offices and AID offices in developing countries; moving cryptographic sections back into the Embassy message centers; consolidating administrative units under an Embassy administrative officer; moving cultural and educational backstopping from the State Department to the U.S. Information Service in Washington.

With these adjustments and possibly a few others, this option would bring some economies in money and personnel.

It would still leave a confused chain of command with the Ambassador having to negotiate and persuade rather than direct. Some officers would still have to serve two masters, and some duplication in reporting and operations would continue.

Option 4

Abolition of the Foreign Service with all overseas activities being staffed by persons seconded from the Civil Service complements of the several Departments.

This option is the one followed by several European countries and by the U.S. Department of Defense for its civilian activities outside the continental United States. It has the advantage that all employees are volunteers who have chosen the specific posts at which they are serving. Allowances can be adjusted to supply and demand to ensure the staffing of less attractive posts and to reduce the numbers of candidates for the more desirable locations. Longer terms of service at post would result and individuals would be able to plan their service abroad or at home to fit their personal needs for children's schooling, solution of family health, emotional, and parental responsibility problems. It would make careers in domestic agencies more attractive by building in the possibility of overseas service. It would enlarge the field of specialists available to staff overseas missions. The overseas mission personnel would be more aware of the needs, personality idiosyncracies, and other special problems of the domestic agencies.

The option would present problems in staffing many of the least attractive Foreign Service posts

where positions are now filled by "discipline assignments" and the prospect of a more attractive post as next assignment. While some officers manage to avoid assignments to difficult posts, the majority of Foreign Service personnel is proud to have had at least one such assignment in a career. It is unlikely that allowances could be raised sufficiently to make some countries attractive to civil service volunteers. The Foreign Service system also permits a balancing of talent between posts. A volunteer system would tend to place persons of lesser competence together at less attractive posts, a condition which adversely affected the staffing of African posts some years ago when the Foreign Service followed the practice of assigning relatively less able officers to that region.

The Civil Service system of assigning salaries by classification would be less desirable than the rank in person system of the Foreign Service. If field classifications had to compete with Washington classifications, they would be certain to lag behind. Smaller and remote missions would certainly fare less well than larger missions. The rank in person system permits the assignment process to serve as a corrective to lags and errors in classification as assignment levels tend to follow the immediate requirement of the position. For example, a position in the United Arab Emirates may have been fixed in classification at a fairly low level a few years ago; events of the last few months may dictate a need for a more senior officer. The Foreign Service assignment process can respond to that need more rapidly than can any classification process.

The proposed option does not take into account the requirements for area and language training and experience which are important at many missions. Further, the accumulated experience of dealing with other cultures, religions, customs, and peoples of differing backgrounds would not be utilized fully.

Issue III.—The Role of the Ambassador

Closely related to these two major issues is the question of the Ambassador. While most studies of the State Department and the Foreign Service emphasize the key role of the Ambassador, private and sometimes semi-public murmurs have been heard questioning the necessity for Ambassadors in their classic roles. Cabinet members have cut Ambassadors out of the negotiations with the countries to which they are accredited. Some of the nominations for Ambassadorships have indicated by their quality the level of esteem in which Ambassadors are held by the country's political leadership. Some Ambassadors by erratic and comic performance have con-

tributed to doubt about the usefulness of all. Ambassadors themselves in moments of truth have compared their jobs to those of "air traffic controller," "manager of the (you name it) Hilton," "master of the hounds," "sorority social chairman," "quiz show moderator," or "circus ring master". Behind these comments and actions there is a legitimate question: Does the position of Ambassador serve a useful function? If so, are Ambassadors to every country with which the United States has relations necessary? Does the present four class structure for classification of Embassies meet present requirements? How can the quality of Ambassadorial performance be improved by selection, training, oversight, and guidance?

Option 1

Reduction of the numbers and levels of Ambassadors by multiple accreditation to smaller countries, the dual accreditation of Ambassadors to countries and international bodies, and the establishment of two additional classifications of Embassies. (The salaries of Ambassadors assigned to two of those classes would be below the present salary for Class IV missions.)

This proposal is related to one of the options previously outlined on the issue of delegation but can be adopted irrespective of adoption of those options relating to delegation. It would make the position of Ambassador much more interesting and rewarding. It would save money as the savings in housing, allowances and salary would more than offset the added travel expense cost for the Ambassador and his wife. The system is used by other countries extensively. Many foreign Ambassadors stationed in Washington are also accredited to the United Nations; some are also accredited to Canada or Mexico or to the countries of the Caribbean and Central America. It would reduce the number of Ambassadors reporting to the Secretary and the President.

The objections to the dual accreditation system are the danger that a serious problem will arise while the Ambassador is away in another country; the difficulty of arranging compatible groupings of countries; the numbers of small countries which would resent a non-resident Ambassador who lived in another country of comparable size. (This problem can be dealt with by use of the two additional classes of Embassies thus permitting the appointment of an Ambassador, if necessary, but at a lesser cost and a more junior level.) It is unfortunate that the system of appointing ministers was abandoned as it had these same advantages and more flexibility. This system of lower grades will be opposed as resulting in Ambassadors receiving less than Deputy Chiefs of Mission, Counsellors, and Consul

Generals stationed in larger countries. This objection has merit but it is also true that these latter positions are often more taxing than the Ambassadorship to a very small country.

Option 2

Continuation of the present number of Ambassadors with adjustments designed to eliminate unqualified appointees and to widen the classification of Embassies.

This option represents an improved status quo. It recognizes that the present four classes of Embassies is inflexible and does not adequately reflect the differences in the character of our relationships with small and middle sized countries.

It should not unduly disturb anyone and will not cause problems in our relationships with other countries. It would produce some economies. It would not deal with the basic problem and would still leave some Ambassadors underemployed and therefore unhappy.

Option 3

Elevation of the status and compensation of the present regional Assistant Secretaries of State and the reduction in status and grade of most Ambassadors.

This option assumes that most of the regional Assistant Secretaries would be appointed from outside the career service, the practice which was followed some years ago; that they would have had experience in government work and that they would know the area with which they would be dealing. They would be political appointees and would not expect to become Ambassadors nor would they stay on should a change in administration occur. They would have strong career officer first deputies. Their salaries would be increased and they would be provided other perquisites as incentives to recruitment. They would be expected to spend much of their time traveling in the area to which assigned and they would handle policy development and negotiations with the countries in the region. They would take over many of the duties now handled directly by the Secretary of State and the Ambassadors "At Large". It also assumes that the level of bilateral Ambassadors' salaries and establishments would be reduced. Additional personnel would be moved to Washington from the larger embassies. In some countries chargés would be used and in other cases dual accreditation of Ambassadors. In others, the chargé would be in permanent charge of the mission. Coupled with an effort to appoint public rather than career figures as Assistant Secretaries would be a return to career Ambassadorial appointments even to large Embassies in Western Europe. All or nearly all Ambassadors

would be from the career ranks of the Foreign Services of State, AID, or USIA. In this connection, the appointment of Ambassadors would be related to the principal U. S. interest in the country. Thus development economists might well head missions to developing countries, commercial officers missions to countries where U.S. interests are primarily trade or private investment, and cultural officers to those countries where our relationships are cultural or touristic in character.

This solution has the advantage that it relates to a principal option under the delegation issue. It reflects the historic trend of field/Washington relationships in the Foreign Affairs field. It would give the President and the Secretary of State close and direct control of policy without requiring their direct participation at every turn. It would remove the ambassadorships from the "dumping ground" status they have lately seemed to approach. It would remove career officers from politically oriented positions which are difficult for them to fill without loss of their career status. In the event career officers chose to take such positions, they would be expected to resign from the Foreign Service.

This option may be opposed on grounds of its damage to the prestige of Ambassadors; its denial of the expertise and knowledge of the career officers in Assistant Secretary positions; the difficulty of recruiting qualified outsiders for the regional Assistant Secretary positions; the danger that Assistant Secretaries will be appointed with only marginal knowledge of the government and the language customs and personalities of the region for which they would be responsible.

Option 4

Reaffirm and strengthen the existing charter of Ambassadorial responsibilities; provide additional staff assistance and clear command authority over personnel at their mission; reduce visitations and interference from Washington; and seek by public statements and actions to elevate the status of the Ambassadors.

While this option follows the prescription often offered in the past and reflects the state achieved by some "tough" and independent Ambassadors in recent years, it involves a fundamental change from present and recent relationships where Ambassadors have been closely controlled by the State Department and/or the White House/National Security Council officials. It is an option the practicality of which may be doubted. It would remove much detail from Washington and could result in staff and fund reductions both in the field and in Washington. It would require the removal to private life or retirement of a number of Ambassadors, and it would require action in the future where

quality of performance or willingness to accept authority were not present.

As noted the critics can point to the poor track record of the reform; the obvious desire to retain all authority in Washington; and the need for discrimination between embassies in the degree of delegation. The final note might be made that it would be possible to strengthen the Ambassadors as managers without increasing their policy authority or negotiating authority should Option 3 be adopted.

OTHER ISSUES

A number of lesser organizational issues should be examined. Some are dependent on the more major issues raised above. Others reflect long standing problems which have not been sufficiently vexing to force settlement. Some of these issues and options for settlement are outlined briefly in the following paragraphs:

Issue IV.—Administrative Centralization and Standardization

Irrespective of the decisions taken on the previous questions, a subsidiary issue which should now be ripe for settlement is the question of Administrative Centralization. Efforts have been made for many years to centralize the administrative support services at overseas missions. Resistance to this proposal has come from many sources. Ambassadors have opposed it because they feared the overloading of the Embassy with administrative staff, i.e., three political officers, ten administrative and general services officers. Often the Chief of Mission has found it convenient to draw administrative support from a number of sources rather than a single backstopping agency. Operating agencies such as the Military Assistance Advisory Groups (MAAG) or the Agency for International Development Missions (AID) have opposed it because the Embassy was unable to provide the quantity or quality of service needed, i.e., AID and MAAG might each require a motor pool of 50 vehicles while the Embassy had ten. The Central Intelligence Agency opposed it because it involved a centralization of communications and adherence to common regulations, i.e., the Chief of Station would have to accept the housing generally accorded officers of his simulated rank. All agencies opposed it because they feared the loss of some special privilege related to travel, recreation, or commissary. To state the question: Should there be single or multiple administrative support units at overseas missions?

Option 1

Consolidation of all administrative service activities in a single staff reporting to the Ambassador and the Deputy Chief of Mission of the Embassy.

This option would provide economies in personnel and funds; Ambassadorial control over the level and nature of service, and equal treatment of staff irrespective of the agency to which they were attached. It would afford the Ambassador an additional management tool for the direction of his mission. It would, for example, make it easier for him to prevent black market operations, excessive use of alcohol, personal misbehavior by employees likely to reflect adversely on the mission. It would help to maintain the morale of his mission.

Opposition would be largely centered on concern that the State Department would not be able to supply the support services needed to carry on operating programs, the danger of favoritism in services to those near the Ambassador, and a concern by some agencies that the costs of services might become excessive.

Option 2

Continuation of the present separate support staffs.

This option is most supportable at large missions where the numbers of staff of each agency make it difficult for a central unit to be fully responsive and where agencies other than the State Department are likely to be located away from the capital and the Embassy. It would result in a minimum of staff and agency disruption.

It would be more costly than Option 1 and would result in separate and sometimes discriminatory treatment as between agencies.

Option 3

Centralization of administrative services but with retention of a single officer in each agency concerning himself with administration.

This is often advocated as a compromise solution but it has not worked well where tried. While it gives the head of each agency an officer to use to follow up administrative problems, it insulates the administrative officer of the Embassy from the unit heads and can increase rather than diminish irritation and misunderstanding. It is also more expensive. It does have the advantage of giving the head of the Agency some satisfaction and may be the price of partial reform.

Issue V.—The Intelligence Community

Intelligence functions located overseas are a special organizational problem. After the Second

World War, the numbers of people engaged in intelligence work greatly increased. Many required, or were thought to require, some sort of cover. Efforts to provide cover outside the Embassy and attached agencies were not very successful; and cover in the official American community has become increasingly transparent, especially where the numbers involved are large, and the security requirements are such as to require separate buildings, locked rooms, etc. The quality of agents, both military and civilian, is mixed. Some are excellent, others simply cast-off failures from domestic or international operations. Some of the reporting is marginal in value. Some is esoteric in character and seems to be devoted to filling long since forgotten requirements levied by Washington. In some cases, intelligence agencies, because of their greater exemption from budgetary scrutiny, have picked up administrative or other non-intelligence duties which the State Department or some other agency was forced to drop because of fund shortages. Duplication in services is not unheard of. In some Embassies there have been as many as six separate cryptographic systems.

In addition to organizational change, the time may have come for a searching look at missions, duplication and the relative value of some operations. Sporadic efforts to do this have occurred, but the results have not been impressive. The organizational question involved is: What level of intelligence activity is supportable and how should it be organized?

Option 1

Consolidation of all intelligence activities in the Embassy.

This option assumes the transfer of CIA's overseas activities and supporting backstopping and analytical sections to the Department of State. It assumes Defense personnel assigned overseas will be truly detailed to the appropriate section of the Embassy.

It has the advantage of submerging CIA in a larger, more public organization, thus removing it from the public position it can ill afford to have. It conforms to the organization of intelligence and diplomatic services in several other countries. It would permit a closer control within the Executive of intelligence activities. It would provide automatic cover for intelligence officers. It would result in economy of manpower and money by elimination of duplication. It would strengthen the Ambassador's control over the intelligence activities of his mission.

It would be opposed as "poisoning" the Foreign Service, reducing security around intelligence

activities, opening them to too close public scrutiny and mixing personnel of quite different character in a single organization. It would also be charged that intelligence would become the handmaiden of the Secretary of State's policies rather than an objective source of information and evaluation. Since much intelligence is obtained from sophisticated methods, the correlation of this information with that collected locally would be more difficult unless the field agents and the technical intelligence operation were under the same control.

Option 2

Retention of present organizational arrangements but with a reduction of personnel and budgets and some rationalization of functions.

Questions may be raised about the priority of some intelligence operations. A hard look at countries and fields of operation should produce economies. A testing to determine whether present functions could not be handled by non-intelligence agencies would also be useful. This option would result in a minimal disturbance of people and organizations. It would preserve a channel of communication heretofore found very useful by the President and the Secretary of State. It would be less upsetting to the Department of Defense, although it might still be useful to bring the Defense Attachés at many embassies back to a closer relationship to the embassy.

This option does not settle the issue. It leaves the ambassador without adequate control over intelligence operations and risks the possibility of dual U.S. representation abroad. The suggested reductions and redefinition of function and geographic interest would probably not be carried through to completion given bureaucratic inertia. It leaves the intelligence agencies without adequate control and subject to charges similar to those of recent months.

Issue VI.—Information, Educational and Cultural Activities

The proper location of information, educational and cultural work overseas is a perennial question. Every embassy must have someone performing these functions. The activities, if well performed, do much to strengthen ties between the United States and the host country. The regular staff of the Embassy can do much on its own by use of the expertise of its own officers in speaking appearances, but visiting educators, artists, and scientists have a cachet that a resident person can never have, no matter how well qualified he may be. Assuming

a real need for the services, how can they best be organized?

Option 1

Continuation of the present arrangements with a Public Affairs officer or section handling press relations, cultural affairs, educational exchanges and information, the library service, and current information about the United States and its policies.

This option involves no disruption of present arrangements and personnel and has proven to be fairly workable. It does not deal with the organizational awkwardness of the separation of functions in Washington between USIA and the Department of State which often results in confusion and missed opportunities. This could be corrected by a shift in functions.

Option 2

A press officer or officers assigned to the Ambassador with all other functions now handled by the Public Affairs Officer assigned to a separate unit reporting to a separate council, foundation or other independent body in Washington or elsewhere in the United States. The unit could be located in the Department of State but with semi-independent status.

A number of other countries have this form of organization. It seems to work well. It has the advantage of at least a cosmetic separation from the official activities of the government and gives greater credibility to the programs, reducing their political exposure and security requirements. It would reduce the controls now present in recruitment of personnel. Individuals attached to the program would be freer to express personal opinions differing from the official views of the U.S. and the host governments. Arrangements for general guidance by the ambassador and his participation in the ceremonial aspects of the program could be made.

The option carries the possibility of embarrassment to the ambassador or the U.S. Government as a result of the organization's uncoordinated activities. Where AID programs are present in a country, the coordination of training and visitors programs would be more difficult. In all except very sophisticated countries, where it is doubtful that a high level of activity should be maintained, the separation might be missed by the general public, which would continue to associate the program with the embassy.

The separation of the press function may be advantageous to the Public Affairs Officer in freeing his time for direction of the cultural and information program. However, it has the disadvantage of cutting him off from close association with the ambassador and daily exposure to the policy of the

embassy. Independent organization for cultural and information affairs entirely separated from the ambassador's control also reduces the manpower available to the ambassador to handle large delegations of visiting Americans or the visit of senior officials, as the cultural agency would have to maintain its distance from such visits to maintain its credibility. This could prove a grave disadvantage in small embassies.

Issue VII.—Emergency Organization—Relief/Disasters

The issue here is the degree of ambassadorial control over emergency short-term activities. There are two options which can be disposed of quickly.

Option 1

Organization on a straight line from Washington to the field relief team.

This option is attractive in providing immediate response to the disaster and prompt action in dealing with problems and bottlenecks as they arise. It runs the risk of delay and confusion, however, if the ambassador is not consulted and able to advise on relations with the host government. Local customs and personalities can be easily crossed and unnecessary obstacles to the program created.

Option 2

Subordination of the emergency operation and team to the Ambassador and Deputy Chief of Mission.

While this approach may cause delay in the initial response, in the long run it will probably prove more efficient as it makes full use of the knowledge and assistance of those on the ground and familiar with the host country and its officials. A classic example of the necessity for this approach is to be found in the Peace Corps, which began as an independent operation, but which quickly "came in from the cold" after early disastrous experiences. This approach will not work, however, unless the ambassador is interested and ready to involve himself. If he is not, then seeking to work through him will be time consuming and may destroy the program.

Issue VIII. Program and Budget Control

Most Chiefs of Mission are not well equipped by training, interest, or experience to conduct program and budget review. Washington agencies and

the heads of agencies in the field do not welcome ambassadorial review. Budget and programming cycles in the military assistance, economic aid and public affairs programs at times seem designed to frustrate such review, even where the ambassador is interested. CIA provides little opportunity for budget review unless the ambassador presses very hard indeed. Each agency, including the State Department, has its own tables, forms, formulas, and abbreviations. Previous exposure to budgeting is likely to prove of limited assistance to the Chief of Mission. Each year presents a new learning process. Given this situation, how can coordination of programs and budgets be accomplished by the Chief of Mission?

Option 1

Adoption of government-wide procedures and forms for field review of agency programs and budgets.

This could be done with the leadership of the Office of Management and Budget. It would strengthen the ambassador's control over his mission, particularly if coupled with quarterly expenditure and program accomplishment reports. It would give him a full knowledge of all programs likely to affect U.S. relations with the host country. It should result in savings of personnel and funds or at a minimum a more useful priority in their disposition. The Washington agencies would have an unequivocal statement of the ambassador's views. He could not later claim non-consultation, or ask for unplanned supplements.

In opposition, it can be argued that the work involved would not be worth the product; that it would introduce another level of bureaucracy; and that it would have little final effect on what the agency and the Office of Management and Budget and the Congress decided to do. Some Washington agencies believe it simply would give the ambassador another weapon to press for larger programs for the country to which he was accredited, and that it would raise false expectations since it is never possible to fund all programs requested.

Option 2

Locate all program and budget review decisions in Washington, soliciting the Ambassador's views only when they may have a significant effect on program and budget determination.

This option would reduce forms, processes, and bureaucratic delays. It would make minimal demand on the ambassador's time and would use his judgment when it could have decisive effect. The objection to this option is that it would involve the ambassador too late in the process after sides were taken and decisions nearly made. His participation

would be so minimal that it would have little effect. It would encourage continuation of the status quo in programs and would give him little opportunity to suggest new programs, abolition of ongoing programs, or new budget or program approaches.

Option 3

Retain the present dispersed system but provide the ambassadors at significant posts with trained special assistants to aid them in program and budget review.

This constitutes a return to the method of some years ago which had mixed results. If the ambassador was prepared to use the assistant and if the latter had the proper personality, persistence and training, it worked fairly well. In other situations, it was not a useful procedure. It does create tensions in the embassy community as the other agency heads resent what they consider to be the intrusion of the special assistant on their relationship with the ambassador. Similar resistance will be encountered from Washington agencies who will resent the special assistant's participation. With training and sanction, it would be possible for the administrative officer at the mission, particularly in the case of the more recently recruited administrative officers, to perform this function for the Ambassador.

Issue IX. Economic Analysis

Economic analysis is assigned to various agencies in various countries. In some Eastern European countries, the function is performed by the Central Intelligence Agency. In the developing countries, the AID Mission has the analytical capacity. In most countries, the State Department or regular Foreign Service Officers perform the function as a unit in the embassy. In almost all cases, the analysis is not as good as would be desired, nor is sufficient attention devoted to the work by the Chief of Mission. The question is whether there is an optimum organization for this work and how can its performance be improved.

Option 1

Continue the present divided arrangements but seek to increase the number of positions and upgrade the quality of the personnel.

This would cause the least disruption and negative effect on morale. The improvement of quality would be difficult to achieve in the case of the Foreign Service for the present low entrance salaries do not make the appointments attractive to Ph.D.'s or even M.A.'s. The alternative of recruiting bachelor degree holders and financing advanced courses

would have some possibilities but would not provide the number of officers or diversity of talent required. For this solution to work, the efforts to bring economist officers into the senior management and program direction positions of the services would also have to be supported and strengthened.

Option 2

A centralization of all overseas economic work in the Department of State; a recognition by the Department of the need to grant exemptions from present salary levels; and improved training and promotion programs for economists.

This would solve the problem if sustained for a long enough period. It would probably need to be coupled with some recruitment in the short term at the middle levels. It would cause envy and affect the morale of officers in other specialties in the Foreign Service, and would be strongly opposed by those who support the concept of generalists in the Foreign Service. Other agencies would feel it would not fill their requirements. CIA would find it more difficult to use broadly trained economists in its intelligence functions. AID would argue for a difference between general foreign economics and development economics. Treasury would desire more narrowly trained monetary economists than this option is likely to provide.

There is also some question as to whether the Department's leadership understands the need for economic expertise or is prepared to use it, to say nothing of holding to a management course to provide it.

Option 3

Transfer of economic work out of the Department of State to the Department of Commerce, with Commerce seconding some officers to the State Department to fill specific jobs.

This option would have the advantage of putting the responsibility in a department whose interests are largely economic and which would in theory have an interest in quality. One criticism likely to be voiced is that Commerce tends to favor business training and experience in its recruitment, which does not fully meet the need of the Department of State or other agencies. Also, Commerce has been

heavily subject in the past to non-career appointments and has had limited overseas experience in contrast to its domestic experience and interest.

Issue X. Washington Field Communications

The flow of information from Washington to the field, and to a lesser extent from the field to Washington, has never been satisfactorily handled. Concern about leaks, difficulties in sorting the significant from the less important, limits on transmission facilities, have all been limiting factors. Similarly the field has at times overreported; at other times it has been necessary to press the field for more information. Since modern information handling methods have been introduced, technically it is possible to move the information now. However, the problem is still one of organization and selection.

Option 1

Continuation of the present system.

This is attractive as it limits the possibility of leaks, holds information to those who have a vital need for it in Washington, and lets the field make do. This is barely satisfactory under the present organizational division. If that is changed, new arrangements will need to be made.

Option 2

Open the flow of information to the field.

This would improve the quality of materials sent in by missions abroad. It could also make for more satisfactory performance. It would run the risk of leaks and of possible unwanted actions by the field on the basis of too much knowledge.

Option 3

Commission a study in depth of the flow of information designed to improve the sharing of meaningful information, but possibly resulting in a net reduction of the materials sent.

This would have the advantage of offering long-range improvement without taking the risks of immediate commitment. Its disadvantage would be that it might raise expectations which would be impossible to fulfill.

Posts and Missions

T. McAdams Deford
January 1975

I. INTRODUCTION

Foreign service officers often talk nostalgically of pre-World War II days when embassies and ambassadors, it is recounted, had responsibilities and authority far in excess of what today's U.S. envoy, on his short communication leash, is given. And certainly, even allowing for the exaggeration common in reminiscing about the "good old days", it is clear the relationship that existed between the typical embassy of 40 (or even 20) years ago and Washington is vastly different from the relationship that exists between the two today. Electronic communication advances and jet airliners have brought Washington's reach into even the most obscure outpost. At the same time, and as a related result of this technological shrinking of today's world, there is a new interdependence of worldwide issues that means Washington has a much greater interest in keeping on top of what its missions abroad are up to at the very time that technology makes it easy to do so.

Thus it is not surprising that stories of the preëminent role a previous generation's ambassador played in developing, and then in single-handedly implementing, policy are fondly recalled by today's foreign service officers as they try to carve out their niche in a world in which, as former Ambassador Armin Meyer has recently written, the American ambassador is often uninformed on key aspects of United States foreign policy bearing directly on relations with his host country, has no influence on how that policy is developed or implemented, and indeed may be fortunate even to learn about policy before various officials of the host government ask him why the U.S. is pursuing it. Of course, Secretary of State Kissinger and his well-advertised penchant for secret diplomacy has clearly contributed to this aspect of the present situation; together with the technological advances it has led to a proliferation of suggestions that maybe our whole concept of our overseas missions should be updated.

II. ROLES OF OVERSEAS MISSIONS

While new ideas are definitely needed, the first step is to compare the roles embassies and ambassadors have traditionally been asked to perform—as opposed to the means of performing them—with the requirements of today's diplomacy. For in spite of technical developments, much of what embassies have done in the past remains relevant.

To enumerate:

- an American ambassador, whether he is in London, Tokyo, or Ouagadougou, is there first of all as the personal representative of the President of the United States. As such, until worldwide diplomatic agreement or custom concludes there is no need for countries to be represented in their neighbors' lands, we, with our worldwide interests, are going to have to continue having embassies, with accredited ambassadors, in all but the most trivial countries. (Whether an ambassador is accredited to more than one post is a relatively minor issue that can be decided on the political merits of the individual situation: in the smaller countries fringing the Arabian peninsula, ambassadors have been assigned to satisfy the self-importance of these rich, strategically-located lands. They have been Foreign Service Officers, Class 3, (FSO-3) in most cases as befits their responsibilities. The essential point is that whether low-ranking ambassadors are assigned or non-resident ambassadors are appointed, someone will always have to be in charge; there's not much difference between an FSO-3 ambassador or an FSO-3 chargé.)
- Overseas missions have always served, in addition to what we might call the traditional representative functions, as listening posts or information-gathering spots to provide our government with factual and up-to-date information about what is going on in a particular country. In our shrinking, interdependent world, the U.S. cannot afford to ignore or cut

itself off from even an apparently insignificant country, for as we have found, in the United Arab Emirates, for example, insignificant countries are seldom so by choice and make the best of passing opportunities to become significant. For us as a "super-power", the necessity of knowing what's going on in a particular country is correspondingly greater than it has been for us in the past or than it is for other countries.

- The increase in U.S. business and trade abroad, most obviously as a result of multinational activities, has also meant that a U.S. embassy or consulate's responsibility to oversee the interests of U.S. citizens abroad has become more important than it was.
- Finally, the embassy, and specifically the American ambassador, has traditionally been assigned the function of carrying out negotiations, discussions, or other daily business with the countries to which they are accredited—in other words, of implementing our foreign policy. It is this last function that transportation and communication advances have most significantly (and some would say deleteriously) affected. Whereas the lack of such facilities in the "good old days" left the ambassador to a large extent on his own in reacting to activities of the host country or negotiating particular arrangements with them, in today's world, the ambassador is often nothing more than a well-paid and appropriately-dressed messenger. And sometimes, when Washington thinks the messages are too important, a high-ranking emissary is sent to deal directly with the host government, leaving the ambassador, if he is lucky, wondering whether the Washington policy is a wise one. If he is unlucky, he wonders what the Washington policy is. Is it any wonder that denigrators of today's State Department join with its supporters in asking if ambassadors may not be as out of date as the cutaways they wear?

But despite "interference" from Washington on substantive matters, it is clear that tasks remain for overseas missions to perform that cannot be handled effectively, or at all, any other way. Thus while some contend our missions should be redesigned so as to have fewer ambassadors, or regional ambassadors, or roving ambassadors, or that ambassadors be called managers, and embassies, offices, there are convincing arguments that show we will need roughly the same number of missions abroad in the coming decade as we have now, that they must be staffed with Americans, and that someone must be running them.

III. REASONS FOR INEFFECTIVENESS

The problem then is not in the function and form of our overseas missions—which remain essentially valid—but rather in their ineffectiveness in doing what most of us agree they should be doing. Broadly speaking, there are three reasons for this ineffectiveness. First, the inherent difficulty in conducting foreign policy in a democracy, a point, which though often forgotten, should not be underrated. Second, the lack of proper support and direction from the top. And third, poor personnel management and poor training for the job required.

1. FOREIGN POLICY IN A DEMOCRACY

The basic inconvenience of our system, in which elected officials have to worry about the next election, is that what's good for getting a vote this year may not be good for the country, now or ever. Without getting into the merits of particular positions, U.S. foreign policy has been influenced undeniably by the Nationalist Chinese lobby, the Jewish/Israeli lobby, and now, it appears, the Greek lobby. Additionally, congressmen are not prone to making demands, fiscal or otherwise, on the electorate even if that's the wisest choice: not many politicians recommend taking the bull by the horns if it can be avoided. Nor too, when congressional trade-offs are a way of life, will a congressman look too deeply into the ramifications of a particular vote on a foreign policy issue that his constituents may have little interest in but that a fellow congressman, who is in a good position to return the favor on a local issue, is strongly pushing. Again, in the good old days, when the United States was not the world's foremost power, nor its policeman, congressional interference in foreign policy simply didn't matter as much in terms of our worldwide interests. Nor, because of our historic isolationism, were many congressmen inclined to interfere. But today, when domestic and foreign policy are increasingly interrelated—when Senator Jackson sees political benefits from his own variety of linkage in our Soviet policy or conversely when actions by our Turkish allies can stir up Greek-Americans—it's not surprising that Congress is asserting itself more in foreign policy. And because the world really has shrunk, and what happens in our Middle Eastern policy directly affects our standard of living, this trend will continue: it is not simply a reaction to the Vietnam War and it will not go away. The problem, however, with such congressional interests, is that too often what benefits a politician doesn't benefit this country. Over the last quarter of this century, one of the principal problems facing the State Department and the Executive Branch will be how to

deal with this reality. It seems that greater openness in reaching and implementing decisions and more consultation with Congress will be a prime requisite. Certainly the secrecy and lack of cooperation of recent administrations has borne adverse results that this, and no doubt future administrations, will suffer from.

2. LEADERSHIP PROBLEMS

Secretary Kissinger is often criticized these days for the effect his method of operation has had on morale. To be fair, the fault is not all his. If his approach is bad for morale, it is partially because of his continuing frustration with the lack of responsiveness of the unwieldy bureaucracy he now heads. There are probably cosmetic steps the Secretary could take to improve things. There are also institutional changes that could bring the bureaucracy more into line with the Secretary's style of leadership, so that a State Department officer would at least be frustrated about how he is being used and not because he is not being used at all. But aside from this, real change is necessary if today's foreign service is to be transformed into an organization with the potential of being more responsive to our foreign policy leadership and hence more effective. Of course, certain problems in today's State Department are fundamental; others relate to personal quirks of the current Secretary: his penchant for secrecy, his enduring distrust of the foreign service bureaucracy for the simple reason that it is a bureaucracy, and his historic preference for a closed, one-man style leadership. And it is necessary to distinguish the two.

But we should not kid ourselves: *any* competent Secretary of State in the future will be faced with evading the bureaucracy or being bogged down in it; conscientious future secretaries will also want to continue having more direct, personal control over important decisions at embassies than was necessary or possible in the past. For the simple truth is that much of what happens overseas is too important to be left to any ambassador. This is not, as an older generation diplomat might think, a reflection on the skills or talents of any hypothetical ambassador, but rather a statement of the nature of things and their complexity. To give an uncomplicated example, it is not after all the function of an ambassador, no matter how prominent he is, to decide which of two mutually exclusive policies should be pursued if one will damage our relations with the country to which he is assigned and the other will similarly affect another country. It is, though, the ambassador's function to state precisely and disinterestedly what will be the ramifications of the proposed policy on U.S. relations with his host country. It will then correctly be the responsibility of the

Assistant Secretary, the Secretary, or the President if a decision is important enough or has sufficient domestic implications, to make the choice. The point is a relatively obvious one: in a world where issues are increasingly interrelated and technology has facilitated control from Washington, greater centralization of foreign policy is the only rational choice. Indeed, any other choice would be dangerous.

But having said this, other aspects of the way the Department is run are not only unnecessary and unwise, but self-defeating. Centralizing decision-making should not mean keeping embassies in the dark about relevant policy considerations. Many embassies today, cut off from the main currents of policy formation, are like actors paid to continue performing, although the audience has long since moved on. They may be a talented troupe, but actors—and foreign service officers as well—find their performance suffers when no one is watching. It no longer matters how the situation developed but the result is a self-fulfilling prophecy: if the National Security Council (NSC) or the Secretary of State decide that certain foreign policy issues, or certain aspects of an issue, are too important to be revealed to an ambassador, the embassy can make no useful input into the policy. Over a period of time this will be reflected in the quality of work of a particular embassy; and, hence, the embassy will be called on even less. In such a self-perpetuating situation, the loss of morale is the least of our worries: our foreign policy itself suffers. This situation can only be corrected from the top, as no amount of organizational change can improve the value of work done in a vacuum. Aside from the obvious implications for foreign policy, the situation is additionally damaging because it takes our focus off the very real and valid need to make those changes in the system that can permit it to take full advantage of technological advances and thus be more responsive. But these reforms (which will reinforce the generally unpopular trends towards centralization and apparently reduced authority of our foreign missions) cannot really succeed without a mutual trust and understanding between foreign service officers and the Secretary of State.

3. MANAGEMENT INEFFICIENCY

Management and personnel reform is essential to cope with what in fact is the biggest and most damaging difference between the State Department of 1975 and the one of 1945: bureaucracy. Ultimately, it was the size of the place that led Secretary Kissinger to ignore it. And while that is clearly not the best solution in the long run, in terms of effective policy, ignoring the bureaucracy—by creating a small coterie of insiders and outsiders to handle

most policy matters—may well be the only way to cope with it successfully in the short run.

Bureaucracy is not only bad because it is big, cumbersome, and generally unresponsive, but because of the effect it has on those inside it: talented, intelligent officers spend too much time responding to insignificant bureaucratic demands; they are forced, too often, for the sake of bureaucratic niceties, to compromise their ideas so that the final product is no one's idea of a good piece of work. It is simply bland enough not to offend. And, trapped by self-generating paperwork, and the constant press of deadlines, most officers have little time or inclination to "go to bat" over a particular point; much less do they have time to think beyond the narrow confines of their work to the broader "conceptual" issues they hear about from seventh floor habitués and foreign affairs periodicals. What is even worse is that the whole personnel system, including training, promotion and retirement, works against giving the boxed-in bureaucrat any tools to fight with. On the contrary, today's personnel system only reinforces the mental castration that is the usual by-product of a bureaucracy. The man in the field is better off bureaucratically, but the system has already so destroyed his credibility that embassies—as embassy officers well know—have decreasing effect on evolving policy. Foreign service officers in Washington want to be assigned abroad to escape from the "fudge factory" to the "real world" of diplomacy. And those abroad want to return to Washington because at least "that's where the action is". They quickly learn that such action as there is, is not their action, but still in all, it may be preferable to learning about U.S. policy towards "your" country from the wireless file.

IV. POSSIBLE CURES

"Debureaucratizing" a bureaucracy, as everyone since Parkinson knows, is only slightly harder than controlling White House excesses. But maybe it is worth a try at a time when both Representatives Wilbur Mills and Edward Hebert, not to mention Richard Nixon, have slipped from power. The first, and hardest, part is cutting down the size.

1. "ELITIST" FOREIGN SERVICE

The easiest, but most superficial, way to make some headway would be to spin off all elements of the State Department—consular, administrative, and purely commercial—that are not "substantive" (in today's world, that means economic as well as political). Consular officers could once again constitute a separate agency with a director, and ad-

ministrative officers could easily be shifted to the civil service. Commercial officers, as distinct from economic officers with commercial responsibilities, would come entirely from the Commerce Department. Similarly, labor and financial attaches would come from different agencies, as do agriculture and narcotics attaches now.

What would remain would still be too big for a smoothly running foreign service, but the change would be a symbolic first step. Over a given period of time, and we might as well accept that it will be longer rather than shorter, reductions could be made in overseas staff which would subsequently have a beneficial effect on the size of the staff in Washington. The reduction in personnel would be related to a shift towards more emphasis on functional as distinct from geographic bureaus, which would ultimately eliminate some overlap of responsibilities. At a time when other agencies, especially the Department of Defense, have large staffs, such a reduction, it might be argued, could put the State Department at a bureaucratic disadvantage in doing staff work for inter-agency quarrels. In fact though, in debating policy questions, a small, well-organized staff is in a superior position to a large, multi-armed bureaucracy faced with enormous internal clearing procedures. Again, this paper is not the place for an outline of how the State Department can be reduced to a manageable size. But the concept of a small, well-trained (elitist, if one insists) group of foreign service specialists assisted by various "experts" and others from outside is essential in making foreign policy formation effective.

2. PERSONNEL POLICY

While setting this as a long-range goal, personnel policies can immediately be implemented which would at least work to de-bureaucratize the individual. The most immediate requirement is a system of semi-automatic promotions based on time in grade. Five percent, or less, of the officers in any class would be eligible for accelerated promotion. A modified rating-officer system would remain in effect, but teams of inspectors would oversee the entire rating system. Accelerated promotion would be protected by built-in safeguards (e.g., both inspection teams and rating officers would be allowed to recommend a maximum one of every twenty officers for accelerated promotion). Selection out would be retained but only with sufficient financial protection and only on the basis of the inspectors' recommendations. The purpose of this would be to free the typical officer from the current, strongly-felt need to "please" his boss, to replace it with a realization that superior work will be rewarded, and to make institutional the claim that disagreement and outspokenness will not endanger promotion.

3. TRAINING AND EXPERIENCE

To retain credibility in today's world, a foreign service officer needs much more practical training and experience. To this end officers should be actively encouraged to take leave without pay (LWOP) from the foreign service frequently and for extended periods to engage in business, banking, and congressional work. Those who do not voluntarily make LWOP arrangements will be handled by a mandatory sabbatical program which would periodically assign officers for one or two year stints outside of the Department. Such years could either be at universities, in business exchange programs, on detail to other agencies, or a mixture. In any case, it would require a great increase in the size of these programs. This would serve a dual purpose: it would not only enhance an officer's value because of the exposure; it would provide possibilities for officers to leave the Department, a phenomenon which should be institutionally encouraged. Why should the Department want to keep those who are dissatisfied? Greater functional training at the Foreign Service Institute (FSI) would be equally important. The day of the generalists is by and large over; the 6-month economic course is a step in the right direction. The course should become mandatory for all those without a college major in economics; similarly, a solid career management course should be required. By contrast, intense geographic specialization training should be downplayed, as would concentration of assignments to a particular geographic region. Fluency in at least one major foreign language would remain a priority goal, but harder and more exotic languages would generally be restricted to a small group of "geographic" specialists.

4. RETIREMENT

Another key personnel reform is needed in the retirement system. Early retirement with reasonable pay would unclog the system of stale "yes" men or of those who for one reason or another have lost interest in anything but remaining aboard until they qualify for retirement at age 50. A new system should be at least as liberal as the military one, which permits retirement after twenty years service, regardless of age. Ideally, retirement would be permitted, with 45% of one's salary, after fifteen years. This would not be as expensive as it sounds, as those who retired after 15 years of service would obviously have annuities based on a lower salary than officers having served 25 years or longer. But someone 40 years old would be better able to risk leaving the Department with a much smaller retirement income than a man 50 years old who has little chance of finding another career. The plan could be refined so that 2% of one's last annual salary was

added on for each year after fifteen years of service. Early retirement with good benefits would encourage bright, young people to enter the State Department and give it their creative years without being oppressed by bureaucratic constraints that today can turn the average ten-year foreign service veteran—typically in his mid-30's and physically and mentally capable of producing his most valuable work—into a cautious, career-oriented, grade-conscious bureaucrat, devoting most of his time to the service of his own advancement.

5. RESERVE STATUS

As a complement to an early retirement system, the foreign service could also introduce a reserve status system under which FSO's, at any stage in their career, would be able to leave the Department for an indefinite period without resigning or retiring. Unlike the military reserve, it is obvious there would be no mandatory "call ups" so retirement benefits would only reflect actual years of work. There would be no benefits at all to those with less than 15 years total service. The advantage of such a system though would be that it would permit those on reserve to move up in rank automatically; thus were they subsequently to return to the Department, it would be at an appropriate grade. But principally, the system would be advantageous because it would greatly facilitate re-entry into the foreign service for those who wish to work elsewhere for extended periods of time but retain a reasonable possibility of returning. It would thus provide a ready pool of qualified people for a variety of both temporary and regular jobs. Of course, there would be no guarantee that the Department would be able to rehire a person at his convenience: it would depend purely on the availability of jobs. A service that provided good training, frequent opportunities for outside work, encouraged early retirement, and permitted easy departure and re-entry would once again make possible a vibrant thinking group that the burgeoning bureaucracy has smothered. Thus rejuvenated and experienced, the foreign service would also be much better qualified to deal with the increasingly complex problems foreign service officers face abroad and to provide the kind of useful and incisive analyses needed in making policy decisions. In short, embassies could be useful again.

V. MISSIONS AND EMBASSIES

Under the proposed system, the typical embassy with its separate consular and administrative sections, would already be leaner. The nucleus of an embassy would be a small group of economic and

political officers under the Deputy Chief of Mission (DCM) and Ambassador. Higher level officers will have served both in and out of the Department in a variety of jobs and would, as a result, not only have greater business expertise but considerable managerial skills.

1. ATTACHES AND EXPERTS

In addition, attaches from Labor, Agriculture, Treasury, or Interior Departments would be assigned as needed to provide additional expertise. In many cases, attaches should have regional responsibilities and would, in the case of Europe, for example, be assigned to the OECD or the NATO mission. They would travel extensively, however. Other "experts" could also be hired for slots that are appropriate at a particular time; for example, in OPEC countries such as Saudi Arabia, Iran, or Venezuela, petroleum attaches, who in many cases would have worked with oil companies or in energy-related businesses, might be brought on board at this time. Several "OPEC" attaches based in Algiers, Vienna, Tehran or Jidda could jointly cover the Middle East and Africa; a fourth could cover Asian countries from Indonesia and a fifth could be based in Caracas. Food experts might similarly be assigned regional responsibilities. The foreign service reserve pool would most likely be in a position to provide a number of attaches as the need arose.

In most European countries at least (and in many other parts of the world as well), the local staff would have virtually exclusive responsibility for covering the country's press and trade journals and providing summaries as appropriate. The USIA office would oversee this and would also have responsibility for all cultural and exchange activities. AID, where it existed, would function as an autonomous unit in essentially the same manner in which it does today. Similarly, CIA and DIA and all others would report through the DCM to the ambassador.

2. AREA SPECIALISTS

Each European country would have in its political/economic section at least one, and sometimes more than one, "area specialist". These regional or country specialists would have early opted for a more traditional foreign service career pattern emphasizing, in addition to linguistic skills, detailed knowledge of a particular country or a region. These officers would normally serve a larger percentage of their careers abroad and would have a greater concentration of political science study as opposed to more functionally oriented training. The real difference between these "area" specialists would be, however, in their assignments. For almost all their overseas assignments would be in one geographic area. In the new "technocratic" for-

eign service these country specialists would be in the minority rather than, as is the case today, the majority. They would be no less important for being few in number, however, for they would provide the historical continuity and depth of knowledge which would be invaluable at most posts in a functionally-oriented system. By and large they would expect to serve longer tours at a particular post than others would. In hard language areas, these "area specialists" would be the only officers with real linguistic fluency. To use a practical example, this would mean that regular officers assigned to the Middle East would take an intensive 6-month colloquial Arabic course; only the specialists would have the entire two-year course.

3. FUNCTIONAL VERSUS GEOGRAPHIC

As one facet of this overall reorientation, the present global outlook program (GLOP) should be expanded. To a large extent, bureau politics have played a role in providing good jobs for those within their own bureau and less good jobs for those coming in from the outside. It has thus worked against the free agent. This problem would correct itself as the State Department gradually shifted from its present concentration on geographical expertise to one in which the geographic bureaus declined in both size and importance relative to the functional bureaus. Again, interdependence is a governing word: today, the foreign service officer who has experience in only one area will simply not have the broader global understanding to make a valuable contribution. "One-area" expertise can be acquired from specialized experts, but this small new foreign service will be no more responsive than today's big one if its members have too narrow a scope. (The whole question of re-vamping the State Department's internal bureaus to enlarge and strengthen the functional ones at the expense of today's geographic preponderance is one that needs detailed research).

The steps outlined above would not guarantee that a Secretary of State who did not wish to use his foreign service would do so, but it would create a foreign service that could be considerably more responsive to the demands of today's world.

4. TRAVEL

One crucial point needs to be reiterated: centralization and control from Washington is a trend that neither should, nor can, be successfully fought. Important foreign policy is made in Washington. And, with the exception of the ambassador, almost all of those who make or influence foreign policy for a particular country are located in Washington. It follows that, to make a contribution, American ambassadors from key countries should spend as much as

1/3 of their time in the United States. Obviously, this does not mean four months in Washington and eight months in the country to where they are assigned; it does mean that ambassadors from countries of particular importance to the U.S., should perhaps be in Washington for a week or ten days every month, or if the country is nearby, even several days every few weeks, so as to influence the outcome of policy deliberations both at the Department and elsewhere in Washington. People might object that this would be disruptive personally, but at a time when senior vice presidents and chairmen of the boards of various large companies spend perhaps as much as half of their time traveling for business reasons, it's not unreasonable to require an American ambassador to do likewise. Desk officers and country directors, aware of the chaos ambassadors' far less frequent visits cause, would also have strong objections, but obviously, if this kind of consultation were built into the system over a period of time, the relevant ambassador would have offices and sufficient secretarial staff when here. Visits would not, therefore, be disruptive. At the same time, and as an obvious corollary to this, Department officials at various levels should be visiting countries and regions in their responsibility with greater frequency. In the new revised State Department, with less emphasis on geographical bureaus and regional expertise, there would be an even greater need for officers to visit countries with which they are working. The DCM and the heads of the political and economic sections, especially at the larger embassies, should also have frequent consultations in Washington, and they and the other embassy officers should visit regularly other embassies or missions in their region. European political officers, for example, would often consult with US NATO, with neighboring embassies, and even with some of the OPEC countries.

5. THE AMBASSADOR

Finally, there is the issue of the ambassador himself: who should he be? Again, on the basis that foreign policy is increasingly important domestically, we must accept that ambassadors in countries of special significance to the U.S. should be hand-picked by the President. What this should reflect is not that Mr. X has given large amounts of money over the years to the President's election campaigns (or helped the President in some other tangible way), but that rather, like those officials picked by the President as his chief policy advisors, Mr. X is being assigned a job of such importance that it is necessary he have the full confidence of the President. Political appointee is something of a dirty word these days, and no wonder. Yet there are others, such as Ambassador Moynihan or Ambassador

Galbraith, who although not career foreign service officers, are not political appointees either. They are, rather, Presidential appointees in much the same manner that Mr. Rumsfeld and Dr. Kissinger are Presidential appointees. While there is little the State Department can do about it, hopefully over the next few years, the Secretary of State will make this point to the White House and the White House will begin to appreciate its significance. Finally, since Congress is now so interested in foreign policy, hopefully the Senate will begin to reject out of hand all those who are "political", as opposed to "Presidential" appointees. The President doesn't choose his domestic or NSC advisers to pay off old debts, so at a time when international relations are so crucial, the present system is a serious anachronism that congressional pressure, if nothing else, should bring to a halt.

Of course, only a relatively small number of countries would be serviced by Presidential appointees. Ambassadors in other countries would continue to come up through the ranks and, with greater experience behind them and a better Department supporting them, would provide more useful work than most ambassadors can today.

VI. CONCLUSION

Where would such a State Department fit organizationally into the total foreign affairs bureaucracy? While obviously this question is too broad to be discussed thoroughly here, its ramifications are too great for it to be ignored altogether. So long as foreign policy was relatively separate from domestic policy, it was appropriate to leave it in the hands of a Secretary of State whose advice was generally taken by the President and seldom questioned by Congress. Today's world is not that world, though, and White House interest in foreign policy is a matter of necessity not personal preference. The centralization this paper urges is a reflection of that fact.

Accordingly, it is likely that, even without Secretary Kissinger, the chairman of the NSC will direct overall foreign policy development, integrate all foreign affairs activities, whether economic, political, or military, and oversee long-range planning and policy guidelines. As this implies, it can be expected that the NSC of the future will be responsible for ultimate coordination of all agencies' inputs into foreign policy. The State Department would remain the preeminent department in the formation and implementation of foreign policy; there is no doubt though that it would be subordinate to the NSC. But a streamlined and updated foreign ser-

vice, headed by an able Secretary of State, would clearly provide the fundamental and most influential input into the NSC-directed foreign policy. In this regard, the chairman of the NSC should not be appointed Secretary of State; State needs a cabinet-ranking officer who is willing to fight its battles with Congress and within the Executive Branch and

even more important, devote the time necessary to accomplishing some of the reforms outlined above. The chairman of the NSC doubling as Secretary of State is likely to have neither the inclination nor the time to handle such matters. And that can be a problem for both foreign policy and foreign policy officers.

Appendix R: Comparative Foreign Practices

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Introduction

Appendix R is a study prepared by the staff and consultants of the Atlantic Institute for International Affairs. This study was designed to identify organizational concepts and practices which are successful in the countries where they are employed, and which seem both worthy and feasible of consideration for adoption by the United States. The study is organized by types of organizational units and by functions performed, and contains material on practices in the Federal Republic of Germany, in France, and in the United Kingdom.

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Problems in the Organization of United States Foreign Policy: Comparative Foreign Practices

Staff and Consultants of The Atlantic Institute for International Affairs
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FOREWORD

PURPOSE

This study conducted by the Atlantic Institute for International Affairs for the Commission on the Organization of the Government for the Conduct of Foreign Policy was designed to identify and explore practices and organizational arrangements in Germany, France, and Great Britain which might, if adopted, improve the conduct of foreign policy in the United States. A number of possibilities were chosen for investigation on two criteria: first, that they were apparently successful in one or another of the three countries and, secondly, that they seemed applicable to conditions in the United States and therefore showed promise of being able to be transferred successfully out of their own milieu. A few additional topics were selected because of their intrinsic importance, in hopes that suggestions could be made regarding an area or organizational structure in the United States where remedies are particularly needed.

ORGANIZATION OF THE REPORT

The case studies analyze or describe forms of organization or methods of operating from which a practice or structure potentially pertinent to governing needs in the United States may be abstracted. The Institute believes that a brief assessment of major characteristics of the context in which the European procedure exists will clarify the feasibility of transfer or adaptation to the United States. The Introduction therefore discusses significant political and constitutional influences which provide the underpinnings for the practices or structures presented in Part II. This discussion of peculiarities should permit a wiser judgment

about transferability and underlies the recommendations made by the Institute in the concluding Part III.

METHOD

The study was carried out by separate research teams in each of the three countries. They proceeded chiefly by interviews with officials, academics, and other individuals whose experience qualified them to discuss policy-making practices and procedures in the country in question. Whenever possible, one respondent's views were balanced against another's. A brief discussion of the interview sample is contained in the Annex.

Each team made a preliminary identification of organizational and process features for possible further study. These were examined jointly, and final choices were agreed upon by the Institute's central staff and representatives of the Commission staff. The teams then conducted their investigations and drafted initial written presentations of the cases, which were edited centrally to assure integrated consideration of related topics across country lines. The overall coordination of each team's work was conducted by the Institute's Paris staff, which also arranged consultations with experts and prepared the preliminary and final project reports.

PARTICIPANTS

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I. INTRODUCTION

The analysis conducted by the Institute confirms that no absolute cross-national regularities exist in organizations and processes used in the conduct of foreign policy. However, some common traits characterizing the handling of foreign policy can be distinguished and suggest the possibility of transferring the structures or procedures analyzed. For example, Britain, France, and the Federal Republic of Germany appear to share a tendency toward centralized decision making, accompanied by attempts to improve formal coordination and underlined by a "tacit coordination" stemming from the shared ethos or orientation held by participants in the process. Yet, important unique influences upon policy processes exist which have significance for successful transference. These are the fundamental differences in constitutional systems and such idiosyncratic factors as personalities of individual leaders or nationally customary ways of doing business. The national context of systemic and idiosyncratic factors establishes a particular framework. It poses a subsequent obstacle to transferability since organizational practices may function differently in another context. Differences in national contexts and consequences for policy making will be discussed first; then common traits important for a comparison with U.S. practices will be described.

DIFFERENCES IN POLITICAL SYSTEMS

The constitutional system of each nation has distributed authority differently among its component parts, compounding problems of transferability and comparison. Britain's parliamentary system, for example, has fostered collegial or joint responsibility among Ministers for the full government program, an obligation which puts a premium on agreement at all levels of government. Although the authority of the Prime Minister and of the Cabinet Office are growing, the principle is a distinctive feature of the British approach to handling foreign policy. On the other hand, the Fifth French Republic constitutionally recognizes a broad role for the President, lodging potentially great authority in one person. The first three presidents have exercised wide power, particularly in foreign affairs, and the nation appears to accept their actions as legitimate. Germany occupies a position between these two patterns, due to the requirements of government by coalition. The enforced sharing of authority means the Chancellor cannot play a dominant role like that of the French President, nor does he usually benefit from harmonized support of Cab-

net Ministers, as in Britain, since German cabinet members represent different political parties. The stipulations of the political bargain can constrict the range of the Chancellor's power in terms of both decision making and policy determination. Problems of comparison (and "transferability") are compounded, since in no system are those allocations of responsibility static or constant; political dynamics have led to changing relationships.

The consequences for foreign policy-making practices of such allocations are several. In Britain, there is a strong predisposition to collaborate among ministries and to accept the leadership of the Cabinet Office under the direction of the Prime Minister. In France, the wide presidential authority provides no inducement to harmonize positions at lower levels. Since the authority may be exercised arbitrarily in any area over time, there appears to be a willingness to let even unimportant matters go to the President's office ¹ for treatment. German practices still reflect ministerial prerogatives, but the Chancellor may play a strong role and reserve certain decisions for his office.

IMPACT OF PERSONALITIES

For purposes of this study, the enduring structures and processes which are not dependent on the preferences and operating style of single individuals are the most instructive. The focus is difficult to sustain, however, since the separation of the idiosyncratic from the more institutional factors is not easy. In examining a given proposal for transfer to the U.S. system, care is necessary to avoid mistaking the former for the latter.

The personal styles of key individuals do have a prominent and sometimes decisive impact on decisional patterns. German Chancellor Helmut Schmidt has shown a greater readiness to overrule his Ministers than his predecessor seemed willing to do. Style also includes work habits, and one notes, in France in particular, that activist Ministers such as Debré and Jobert will reach down into the realms usually reserved to the bureaucracy to control the workings of the ministries.

Relations among individuals affect decisional procedures. Rivalries among Ministers, such as between Jobert and Giscard d'Estaing in France, can block the exchange of information and distort policy practices. Personal confidence may explain recourse to unlikely channels to solve problems, as in de Gaulle's selection of the Minister of Industry to conduct the delicate negotiations on Algerian independence rather than relying upon any foreign affairs structure.

¹Interestingly, the number of staff assigned directly to this office remains modest, and there is no attempt to set up National Security Council-like organs. Certain special staffs are attached to the Prime Minister's office for executive functions.

COMMON TRAITS

Despite the different influences upon decisional patterns, common approaches to the making of foreign policy can be detected, thereby supporting the assumption that transference is possible.² Each of the three political systems studied has reacted similarly to the growing interaction of foreign and domestic policies. That interaction has meant the involvement of a wider number of governmental institutions and a subsequent need to coordinate their work and to inform them. Central executive authorities are viewed as the legitimate coordinators, and their power has been strengthened relative to that of parliaments or bureaucracies.

NEED FOR COORDINATION

The changing nature of foreign policy issues has meant the extension of responsibility throughout existent governmental structures and, sometimes, the creation of new agencies. Foreign policy decisions are no longer regarded as separate from the play of domestic politics. New actors and new demands result in a new need for coordination. This function is achieved through several patterns, patterns which are affected by systemic and idiosyncratic factors. In Britain and Germany, consultation among the ministries has been institutionalized via regular meetings at several levels of responsibility. The German system is distinct in that it extends meaningful coordination downward to the "Section" level, perpetuating a historic practice of reliance upon this basic unit. No similar system exists in France, although contacts among responsible officials are frequent. In France, an unofficial channel, ministerial personal staffs, play an important role in collaborating on an interministerial basis, informing their Ministers and preparing decisions. Personal staffs and Junior Ministers supplement British and German procedures as well.

Several standing committees exist in France for particular questions (e.g. aid and cultural programs in countries south of the Sahara) which regularly require consideration by several ministries. A separate staff has been created to oversee and to coordinate the execution of policy in regard to continuing substantive matters arising from France's participation in the European Communities.

The degree and effectiveness of organized coordination may depend on non-institutional factors such as individual prestige or initiative. The fact that a German State Secretary is acting on behalf of

²To the extent that the locus of decision moves increasingly to the center, the disparity of form and procedure among the different countries diminishes in its ability to inhibit transfer. Yet it may be precisely in this situation of centralization where idiosyncratic factors know fewer constraints and where, as a direct result, transferability is sharply hindered.

the Chancellor enhances his ability to bring about agreement on matters disputed among various ministries and, at the same time, enhances the role of the Chancellor's office. In France, the Secretary General of the European Secretariat is formally charged with policy execution but can exert influence in proportion to his willingness to force decisions or to make certain ones himself. Traditionally, the holder of this post has also been a presidential advisor, but the power of the post has depended more upon personal proclivities to assert oneself than the non-official merger of the two positions.

TACIT COORDINATION

The higher levels of the French and British civil services frequently reflect a common outlook which, while not insuring agreement, does facilitate a common perspective and a willing adherence to procedural norms about how policy issues "ought" to be resolved. The shared background deriving from common education and training works to facilitate coordination and communication, in contrast to the United States, where educational backgrounds vary widely. The German civil service has its own ethos which encourages the loyal carrying out of policies and a readiness to fulfill the duties assigned to it. Clear definition of responsibilities acts to extend the reliability of the German civil servant to the lowest levels of administration. On the other hand, independent initiatives are not favored by such an ethos.

Whatever the source, common experiences and beliefs found in European civil services can act as a corrective example to parochial, ministry-oriented perspectives and make the job of building consistent, executive-wide policy far easier than in the American government, where the Civil Service "ethos" is conspicuously absent. On the other hand, common philosophies and ways of approaching problems can build rigidities into the system and inhibit the search for innovative answers to new and complex problems as is especially demonstrated in the American context within departments.

CENTRALIZATION OF DECISIONS

In each country, substantive issues are tackled in such a way that the decisional authority of the political center is strengthened. Within the executive, the central authorities have greater power than the ministries, in large part because of the economic nature of questions raised in foreign affairs. These problems are complex and often cross bureaucratic jurisdictions, hence, there is an increased need for the center to integrate the work of the sub-units. Where responsibilities cannot be assigned clearly, disagreement among ministries may lead to the

passing upward of even minor affairs for arbitration or choice.

Although the nature of leadership is very different in each case, executive preeminence has the common result of diminishing the part parliaments can play in the policy process. In all three countries, the role of parliament in the making of policy or in the review of policy made elsewhere is weaker than that of the U.S. Congress. Similarly, the three parliaments do not exercise important control over the execution of policies once decided.

II. CASE STUDIES: STRUCTURES

The twenty case studies, prepared by the three research teams, are attached herewith. Where possible, comparisons among the three countries are made either in an introduction or through brief reports whenever comparable information is available. Recommendations included in the text are made on the basis of the grouped case studies, sometimes drawing an element from one national situation and a compatible principle from another, for instance. Some of the studies, of course, do not lend themselves to recommendations inasmuch as they are descriptive (e.g. "Principles of Ministerial Organization in Germany"). Part III presents the core of the Institute's recommendations.

The studies are divided on the basis of whether a structure or a function is being investigated. Structures are presented first, since these studies might serve to clarify the context in which certain activities unfold.

Within each division, the case studies are organized according to the Institute's general findings discussed in the introduction. Central or overall coordinating organizations are presented first. Moving from the general to the specific, ministries of foreign affairs are examined, then their internal institutions, e.g. Permanent Under Secretaries or overseas missions. The functional division similarly moves from general activities demanding wide intra-governmental collaboration to specific responsibilities of one ministry or agency.

A. Central Coordination of Foreign Policy—Britain

INTRODUCTION

The rapidly increasing involvement of domestic ministries in foreign policy issues over the last ten or fifteen years has posed the problem of coordination for British governments. Given the tradition of cabinet responsibility for the overall direction of foreign policy, it is not surprising that the task of

coordination has migrated from the Foreign Office towards the Cabinet Office.

Procedures and their rationale in the British system will be presented below. Several aspects of Britain's adjustment to this global trend seem peculiar to it, and these are pointed out in a commentary section.

I. CABINET ORGANIZATION/PROCEDURES

The Foreign Secretary opens the regular weekly Cabinet meeting with a review of international developments, which may lead to questions or even to a brief discussion. On new or contentious issues, papers are circulated to Cabinet ministers beforehand, and the matter is entered on the agenda. Within the Cabinet, active concern with foreign policy issues is limited to those Ministers whose responsibilities are primarily or significantly international in scope.

The pressure of competing questions for Cabinet consideration requires that in matters of foreign policy, as in other areas, the bulk of effective discussion must be conducted in Cabinet committees, leaving the full Cabinet the right of formal approval. In the foreign policy field, the main committee is the Defense and Overseas Policy Committee (DOPC), normally chaired by the Prime Minister and meeting weekly. The Foreign Secretary, the Minister of Defense, the Chancellor of the Exchequer (or his deputy), and the Minister for Trade are among its regular members, as well as military chiefs of staff. A separate Europe Committee now decides issues of policy towards the European Communities (EC) on a similarly regular basis. When needed, further ad hoc committees, for instance, on Rhodesia or on Cyprus, are convened. Ministerial and official subcommittees prepare decisions for approval and watch over continuing problems and negotiations in progress.

The Secretariat to the DOPC remains small: less than a dozen administrative grade officials, seconded from the Foreign and Commonwealth Office (FCO), the Ministry of Defense, or other Whitehall departments. It relies on those departments to provide the material from which papers are provided for the various committees, thus avoiding duplication of work. The seconded officials act as secretaries to Cabinet committees and as frequently also as chairmen for subordinate subcommittees. This system ensures that the work at one level dovetails into discussions at another. In addition, the Cabinet Office now contains two separate units primarily concerned with foreign affairs. The Assessments Staff was created in 1968 to coordinate the intelligence and information analysis functions of a number of major departments, most importantly the FCO, the Ministry of Defense, and

the Treasury. With a staff of some twenty officials and military officers seconded to it, it reports through a separate committee to the Cabinet and to the Prime Minister. The European Unit emerged during the course of the negotiations to enter the European Communities. By 1974, it numbered some ten senior officials servicing and coordinating the network of interdepartmental committees concerned with the EEC. The concentration of these new functions in the Cabinet Office has contributed much to its growth in the last ten years from some 25 to some 75 administrative-grade personnel, significantly enlarging its whole role in Whitehall.

One basic principle which operates throughout this hierarchy of interlocking committees is that decisions should be taken as far down the hierarchy as possible in order to limit the degree of congestion at the top. The rule of thumb used by officials in determining whether to refer an issue upwards for decision or to decide themselves rests upon their assessment, first, of its novelty (how easily it can be decided within the framework of existing government policy?) and secondly, of its political sensitivity (how far is it likely to cause trouble for their minister?), either within the government, in parliament, in the press, or among pressure groups outside. This necessary practice carries with it a tendency towards inertia in policy making and may result in a cautious attitude to innovation. The tendency is compounded by an established reluctance within Whitehall to create working parties which would cut across the regular interdepartmental structure, a structure which itself goes against the bureaucratic conservatism concerning ministerial responsibility for each department within the Cabinet.

The increasing complexity of foreign policy issues, often requiring consultation and agreement among several domestic ministries as well as the FCO, the Treasury, and the Ministry of Defense, has brought the management of such issues more directly into the Cabinet Office framework. This structure is preferred for the more frequent formal coordinating meetings and more frequent reference to ministers from several departments which are necessitated. The European Launcher Development Organization and the Concorde project are object lessons in poor coordination. Where major domestic interests are at stake in international negotiations, as in these two multilateral technological agreements or above all in the successive negotiations for entry into the European Communities from 1961 onwards, neither responsible ministers nor their civil servants were content to leave assessment of the balance between domestic and foreign considerations to the Foreign Office. They saw it as too internationalist in perspective and as inadequately informed about the domestic

context of such decisions. The Cabinet Office was accepted as a more neutral arbiter. The central core of the British foreign policy-making machinery therefore now lies in the official structures which service the Cabinet and its committees and which ensure that Cabinet decisions are implemented, consecrating the gradual but significant shift in the centre of gravity of the coordinating machinery away from the Foreign Office.

The degree of prime ministerial involvement, always considerable, has been increased by the development of summit conferences and personal diplomacy. He is clearly the chief, representing and having his role enhanced by the interdependence of foreign and domestic policies. His personal staff includes one senior official seconded from the FCO as private secretary responsible for overseas affairs.³ For further assistance and advice, the Prime Minister may call upon Cabinet Office staff and upon officials from the FCO. Informal liaison between the Prime Minister and the Ministers most directly concerned with foreign policy issues rests not only upon frequent personal meetings but upon close and regular contacts between their private secretaries, working to keep each other informed of their Minister's intentions or hesitations.

II. COMMENTARY

The basis for the complex hierarchical structure of committees is the constitutional position of the Cabinet as a collegiate body collectively responsible for government decisions. Junior Ministers in Cabinet subcommittees see their role as defending the position of their Minister and the interests of their department, subject to their understanding of the likely balance of opinion within the Cabinet. Officials in official subcommittees, naturally, play similar roles. Minority appeal against an emerging consensus within a committee may be made to a higher level, ultimately if necessary to the Cabinet. Such appeals are limited by the awareness of those involved of the greater pressure of business at the top, and the importance therefore of reserving one's position for only the most vital issues. A commonly perceived subordination to the ultimate collective responsibility of the Cabinet also encourages a relatively open exchange of information between representatives of different departments, an openness within the structure encouraged by the secrecy maintained against the press, the public, and even the Parliament, which effectively excludes Parliament from intervening in most internal government disputes. It is a system which promotes compromise and makes for relatively effective coordination.

³One of the present staff of six private secretaries to the Prime Minister.

Much of the structure of central coordination for foreign policy in Whitehall is therefore not directly transferable to the Washington context. It rests upon a constitutional framework which is sharply different: the responsibility of officials to their Ministers and the collective responsibility of their Ministers in the Cabinet. To an extent, the greater willingness of officials in London than in Washington to exchange information among different departments, to consult informally, and, where possible, to agree upon a common perspective similarly rests upon this notion of shared responsibility to a collective head; although it also reflects, in part, a different civil service ethos, as well as the very different relationship between the civil service and the legislature in the two countries.

The British Foreign Office and the U.S. Department of State share a dilemma: the issues of foreign policy are now too important domestically to be handled in traditional ways. Indeed, their importance and complexity suggest that there is no alternative to their treatment by centralized processes, political or administrative.

B. Principles of Ministerial Organization—Germany

INTRODUCTION

In view of case studies to be presented below, it may be helpful to give general organizational features which frame procedures or delegations of authority. German ministries share an organizational pattern which confirms the importance of Sections⁴ in the decisional hierarchy. This does not mean that all ministries' bureaucrats have the same amount of self-confidence or assume identical roles, since such factors as ministerial functions, the presence or absence of an authoritarian Minister, and relations with assertive pressure groups influence their work or style. One consequence of this organization is an incremental style of policy making, which may lead to a premature exclusion of options.

ORGANIZATIONAL PRINCIPLES

All ministries have four main levels. The basic unit is the Section (referent), which may include from one to six higher ranking civil servants possessing some academic training. Sections are grouped into departments, which normally have a functional competence (although other principles may apply, such as geographical regions in the Ministry of Foreign Affairs). These departments, the second level of the hierarchy, are usually split into

⁴Their important role is an administrative tradition dating back to Prussian administration.

two subdivisions, but these are not counted in the hierarchy. The third level is the area where political and administrative authority converge. It is composed of State Secretaries (a civil servant) and Parliamentary Representatives⁵ (actual parliamentarians). The Ministers are the top level.

Sections have a clear field of competence usually based on a function. Hence, the more complex a subject, the greater the number of Sections that will be involved. The Section Chiefs make many decisions, including whether to pass matters on up to higher levels. Sections work closely on problems, gathering relevant information, coordinating with other sections on issues, and, when possible, undertaking planning duties usually in the medium- or short-term.

Departments group the Sections, except for special units such as press sections, planning staffs, and the Ministers' private staff. As one ascends in level, the more latitude exists for making decisions with some political flavor.

In principle, the State Secretary is a very high civil servant responsible for the internal organization of the ministry and for overseeing that work is carried out. He allocates work and conveys the Minister's instructions. His realm of decisions includes matters that lower levels were unable to decide about or matters arising in interministerial consultations at his level. The Parliamentary Secretary represents the Minister before the Parliament and is a lesser figure in the decisional hierarchy than the State Secretary.

Interministerial Committees

Interministerial committees may be convened at each of the four levels. An incentive exists for the lower levels to reach agreement, for if a matter rises in any one ministry's hierarchy, the authoritative decision may go against options preferred by the lower levels of other concerned ministries. Higher levels meet when agreement cannot be reached at lower levels⁶ or if the subject is of particular or political importance. The level of the State Secretaries is perhaps the crucial one in interministerial consultations. Recourse to the four-tiered system, however, is not as entrenched as in Britain, and the system at present represents a struggle for coordination.

The committees may be permanent or ad hoc. The most important of the standing committees is the State Secretaries' weekly meeting on European

⁵Called State Ministers in the Ministry of Foreign Affairs since early 1974, given their particular contacts with foreign representatives.

⁶The Economics Ministry, which contains different schools of thought, has notable difficulties in reaching internal consensus and may send two or three Section Chiefs to the interministerial committee.

affairs, chaired by a State Secretary attached to the Chancellor's office. Others include development (capital and aid) and raw materials.

The functions of the committees go beyond mere information. Arbitration of disputed points is permitted by the system, as well as the actual shaping of the policy. Instructions to negotiating delegations are discussed and drafted in these sessions. The system itself acts to distribute administrative responsibility both in regard to formulation and implementation of policy.

This mechanism is also invoked in regard to proposed legislation. Most laws in Germany are written by the ministerial bureaucracy whose competence corresponds to the subject of the law. Bills are generally cleared on the section chief level. Before being sent to the *Bundesrat*, a proposed bill is given to all Ministries and agencies and must be approved at the Cabinet level. One Ministry has the responsibility and direction over the execution of a law (see below), but there is little possibility for failing to include a ministry in these sessions, since in the weekly Council of Ministers a Minister can refuse to discuss a bill saying that he was not previously consulted.

Guiding Responsibility

The chairmanship and responsibility for guiding the work of the four tiers of committees is determined by precedents, strength of individuals' personality, and, sometimes, functional competence. Since a chairman has certain influence (e.g. in setting agenda, choosing among procedures which, in effect, determine contribution and permit certain viewpoints to prevail), certain Ministries seek responsibility in interministerial coordination. In the Europe committee, for instance, the chairmanship rotates to symbolize that no one Ministry controls EC policy. Trade negotiations with Japan are normally handled by the Ministry of Economics; Agriculture leads in German-Scandinavian trade talks due to the personal interests of a former Minister; relations with East Europe are regarded as highly political, and the other Ministries make way for the German foreign office, which normally leads the delegations. In matters such as renegotiation of loans, the Ministry of Finance exercises its competence.

Consequences

The reliance on the Section has made it a central actor in the bureaucratic decision-making process. Certain sections of the Foreign Affairs Ministry may send cables on policy matters to ambassadors abroad without even sending an information copy to the Minister's office. One effect of making decisions at this level has been that decisions are made

incrementally on small or partial matters. Where interministerial committees meet at the section level and reach agreement, compromises can be made early in the process of consideration of issues or problems.

The institutionalization of incrementalism may have several unhappy effects. The practice does not encourage the development of alternatives. Options not to be retained are rejected early and are not available, nor the reason for their exclusion, in order to enlighten other levels of government. The information function of lower levels is limited, because these levels assume responsibility for selecting the line to be pursued at the expense of alternative views.

Political Responsibility

Lying beyond the bureaucratic handling of foreign policy is the political judgment which Ministers and the Chancellor may bring to bear. The relationship between these two levels varies, permitting more or less freedom of authority to the Ministers. Under Willy Brandt, it was largely agreed that Ministers exerted personal authority, but Schmidt's style so far has included personal intervention and exercise of authority in matters which another Chancellor might have left to the Minister's discretion.

The precept of collective responsibility exists but has more of a "federal" or balancing of ministerial autonomy aspect than the more organic relationship of the British Cabinet. As such, it is an important actor in the decisional hierarchy, although not all Ministers will exert the same incisiveness or share a taste for making decisions.

C. Organization of Ministries of Foreign Affairs

No strikingly new concepts for organization of the Ministries of Foreign Affairs in Great Britain, France, or Germany have been gleaned. All have experienced the need to supplement organization on a geographical basis by newer divisions based on functional competence. This reaction has been as much to maintain the foreign office's position in the domestic ministerial competition as to handle new types of external affairs.

Brief descriptions of the French and German Ministries are offered below and point out activities or organizational patterns particular to each. A longer discussion of the British Foreign Office follows and supplements references to its activities and views found in other case studies on Britain.

A separate report treats the institution found in each of these Ministries at the peak of the career

ladder and where administrative responsibilities and political sensitivity may intertwine.

FRANCE

The French Ministry of Foreign Affairs has three major divisions based on issue areas: political, economic, and cultural and technical cooperation. This latter division has a greater importance in France than in most countries, as the cultural arm is conceived by the French to be essential to certain goals, namely their striving for status and the creation of a future capacity for influence.⁷ Reflecting the importance of Africa to France, a separate political division exists for African and Madagascar Affairs. (The economic and cultural technical cooperative aspects of Franco-African relations are confided to a separate ministry; see below, "Organizational Unity of Aid and Cultural Programs").

The economic division is a source of controversy on two points. Critics say its work should be integrated with the political desks. To the extent that it overlaps work done by the Division of External Economic Relations (DREE) of the Ministry of Economics and Finance,⁸ it has also been subject to criticism. There is little question but that the DREE is the more authoritative organ for trade matters and, particularly, negotiation details. Where competences are not clearly defined, the two economic divisions have agreed upon a working arrangement. The foreign affairs organ has a larger role in European affairs and for multilateral relations. The DREE takes a more active role in regard to bilateral matters and especially those under discussion with Eastern Europe. Bilateral commissions are chaired in alternative years by the divisions' representatives. The higher echelons of the two divisions seem to collaborate well, but lower echelons manifest some jealousy of each other.

Classical divisions exist for consular affairs and international treaties for social and human problems (stateless persons, the Red Cross), personnel and general administration, protocol, archives, and a number of small, highly specialized offices to handle problems such as indemnities to French citizens.

The official hierarchy is headed by a General Sec-

⁷The cultural division sought in recent years to separate its activities from the political tasks of the ministry and, although this might not have been sensed as much in the field, did succeed in creating a presumption of decisional autonomy for the division. The effort had its origin in the personal convictions of its head, Pierre Laurent, a civil servant whose career was initially in the Ministry of National Education. In September 1974, Laurent was replaced by Jean Laloy, and the view of the division's distinctiveness is expected to be replaced by the more traditional view that cultural activities are a diplomatic and political tool.

⁸See previous report on French export promotion activities.

retariat under the direction of the diplomatic corps' highest ranking officer. His functions will be treated in a separate section.

GERMANY

The German Foreign Office is organized along the ministerial pattern presented in the report entitled "Principles of Ministerial Organization in Germany". Major divisions of the Ministry follow issue areas, i.e. political, economic, cultural, protocol, legal, and administrative matters. Within any one division, sections may be organized on a functional or geographical basis.

The Ministry has recently established in-house coordinating committees, not to be confused with interministerial committees. The in-house committees are organized on a regional basis and aim at bringing together all problems within this framework. They sometime take on the aspect of a working group charged with a particular question but otherwise engage in informing others about ongoing projects, coordinating work, and preparing decisions for the level above.

Except for its part in cultural policy,⁹ the ministry does not have full competence in any field. Hence, it is called into wide collaboration with other ministries charged with functional areas. The Ministry plays its part by interpreting the significance of such areas to the foreign policy goals. Social and political consequences of German foreign aid are properly within the competence of the Ministry of Foreign Affairs.

Limiting any wider influence on the part of the Ministry of Foreign Affairs in foreign economic questions is its relatively small staff, a staff which is not adequately trained in the areas touching international economic problems, although the Foreign Office is providing some training now. No special school, however, exists, and there is a strong current among diplomats opposing specialization. The Ministry has organized new sections to watch developments within new fields of international concern such as agriculture, transport, and the European-Arab dialogue.

The increasing links between any government and international events or trends are often technical in nature but, far from ruling out a role for foreign offices, may offer a more important task of bringing coherence to the technical activities in view of policy goals. The Ministry has admitted a need for greater economic preparation of its diplomats but does not appear to have fully analyzed what might be its future role. No move is underway to grant it either more substantive competence nor to employ it explicitly as a government-wide coor-

⁹Only about one-third of German funding for cultural activities passes through the Ministry.

dinating mechanism. Rather it appears to accept its role as mentioned in the various case studies and to rely on its theoretical right to be informed about matters touching foreign policies.

BRITAIN

INTRODUCTION

The continuing expansion of tasks in foreign relations presents the Foreign & Commonwealth Office (FCO) with a painful dilemma: whether to accumulate the expertise and extra staff needed to handle new areas of intergovernmental relations and therefore accept that its personnel will grow to a point where its operations must necessarily become more bureaucratic and impersonal or whether to resist this pressure for expansion at the risk of diminishing the FCO's influence over areas of policy which appear to be steadily increasing in importance. The dilemma is accentuated as the FCO consciously attaches value to remaining at approximately its current size.

SIZE

Although the range of political relations between Britain and foreign governments has expanded enormously in the last twenty-five years, the FCO remains a relatively small department. Its total staff in 1973 amounted to 3,182, including secretaries, messengers and drivers (but not including the 1,340 members of the Communications Department, or the separate Passport Office). The number of administrative-grade staff (first and second secretaries and above) in the political and geographical departments of the FCO was some 300 in 1973.

Members of the FCO attach considerable importance to its small size. With such small numbers at the policy-making level it is argued, it is still possible to avoid complex and time-consuming procedures for ensuring coordination between different departments. Since it remains possible for those in responsible positions to maintain personal contacts with other officials with overlapping responsibilities, informal procedures often suffice. The career structure of the British diplomatic service reinforces this pattern of informal coordination, for its 1,200 administrative-grade members are likely to have worked with some hundreds of their colleagues in London or abroad during the course of their careers.

ORGANIZATION

In organizational terms, the dilemma outlined above is represented by the division of responsibilities between the geographical departments, the tra-

ditional core of the Foreign Office, and the growing number of functional departments. The number of functional departments, dealing with such aspects of intergovernmental relations as agriculture, science and technology, aviation, international monetary questions, and international organizations, had increased from five in 1958 to eighteen in 1972. Though their number was reduced to fifteen in an internal reorganization during 1973 (as against twenty-two geographical departments), they remained on the average both markedly larger in terms of staff and busier than the geographical departments. Though senior staff within the FCO reiterate that the strength and particular expertise of their Ministry rests in its geographical departments and in its familiarity with developments in foreign countries, it is apparent to the outside observer that, in the management of relations with the countries of Western Europe and North America at least, the geographical departments now play a minor role. To some extent the role formerly played by these geographical departments in pulling together the different threads of British relations with particular countries is now performed by British embassies in the West European and North American capitals. The embassies rely on direct and immediate communications with Whitehall in order to eliminate the duplication of work in London and abroad.

The FCO has complete autonomy over its internal structure, subject only to overall ministerial approval and to the limits imposed by its budget. Throughout the last ten years, repeated pressure from the Treasury on the FCO (as on other government departments) to reduce expenditure has necessitated careful attention to the distribution of personnel and has reinforced, from outside the department, the resistance from within the FCO to any overall expansion. Responsibility for reviewing the distribution of staff and the burden of work on departments, in the FCO, and in overseas missions rests with the Diplomatic Service Inspectorate, a small group drawn from the regular personnel of the diplomatic service which reports to the Deputy Under Secretary for Administration and to the Permanent Under Secretary. Flexibility in staffing and in the creation and abolition of departments, without the need to refer outside the FCO for approval, has the advantage of enabling rapid organizational adjustment to new demands. The number of departments dealing with aspects of the European Communities and the distribution of their responsibilities were altered three times during the first year of British membership in the light of changing needs. Such flexibility does, however, have some costs, in terms of an occasional lack of continuity. The small Oil Depart-

ment, set up in 1969, was merged with the Science and Technology Department at the end of 1972 as part of an internal reorganization upon Britain's entry into the European Community; it was then revived at the beginning of 1974 as the Energy Department and with a sharply increased staff, thus attracting some criticism from the oil industry citing the discontinuities in government-industry relations which this involved.

Two Hierarchies

Within the Foreign Office, two hierarchies should be distinguished. One is composed by the civil servants staffing the Ministry at home and diplomatic posts abroad. Its higher levels include Assistant and Deputy Under Secretaries who have carefully defined regional and geographical responsibilities. They report to the Permanent Under Secretary (see separate report), who is the diplomatic service's top officer.

Ministerial control of the FCO is exercised by the Foreign Secretary with the assistance of Junior Ministers, who numbered five in 1974 (a considerable reduction from the eight who had been attached to the FCO on completion of the merger of the old Foreign and Commonwealth Offices in 1968). Functional and geographical responsibilities are distributed among the Junior Ministers, as far as their small numbers allow. The Junior Ministers are in no sense interchangeable with the separate hierarchy of service officials.

Both the Foreign Secretary and the Junior Ministers have private offices. These groups of from two to six officials specially assigned to him act as a bridge between the two hierarchies, keeping departments abreast of ministerial thinking.

In contrast to Germany, promotion to official senior posts of the diplomatic service is in no sense political; indeed, the diplomatic service has resisted ministerial attempts to interfere in the process of promotion and re-posting, even at this level. The advantages of such a structure of parallel official and ministerial hierarchies at the top of the FCO include a higher degree of continuity of policy advice and of experience between administrations, as well as the value to morale of the diplomatic service in having a full quota of senior positions open to its members. The disadvantages include a certain underlying suspicion between the official and political hierarchies, and a tendency for officials to distinguish between what they see as Britain's "real" interests and (almost extraneous) "political" considerations. The separation between the two hierarchies also rests upon the constitutional responsibility of Ministers to Parliament and of officials not to Parliament but to their Ministers; a distinction not easily transferable to the United States.

D. The Permanent Under Secretary—France, Britain, Germany

At the top of the civil service in the three case countries, a high bureaucratic official is charged with administrative responsibility and the execution of policy. A regular feature of all ministries and of policy hierarchies in Germany and Britain, such an office exists only in one or two French ministries, including France's Ministry of Foreign Affairs. The precise functions of each official, his exact place in the higher levels of the Ministry, and his relationship to the Minister or to the Parliament differ among the three. Descriptions therefore will be offered separately below, as well as comments on the success or utility of this officer in each political system. In the British and German cases, the remarks will also be generally true of all ministries' top civil servants. The Institute's recommendations constitute the final part of this section and will be based on all three discussions.

FRANCE

Introduction

Varying conceptions of the role of a Permanent Under Secretary exist. Part I describes the position as filled over time at the French Ministry of Foreign Affairs. The commentary traces the evolution of the post and weighs its current importance. No definitive picture of the office is attempted, as history has shown that its scope and weight depend in large part upon the political system (stable vs. unstable ministerial system) and personality factors (is the Minister administratively inclined? How does the Secretary General conceive of his role? Are there personal frictions?).

I. The Secretary General Of The Foreign Affairs Ministry

The post of Secretary General represents the apex of career posts at the Ministry. Only the Minister and any State Secretaries outrank that official. Filled by the highest ranking diplomat, the post combines administrative direction and responsibility for policy execution.

The Secretary General has responsibility in every field of activity covered by the French Ministry. He coordinates plans and activities, arbitrates matters that bureaus cannot settle within or among themselves, and harmonizes the work, research, or conclusions on matters under study. The job of controlling all sections to assure that their efforts correspond to government policy falls to him. He establishes or modifies structures needed to carry out the work of the ministry; he reviews and decides priorities of tasks or needs in the light of his ap-

preciation of the ministry's responsibilities. Personnel matters or complaints surpassing the limits of the personnel section are forwarded to him for appeal or consideration.

Modifications of the Secretary General's autonomy are experienced as his work approaches the fields of ministerial competence. The Secretary General sees all official correspondence, circulars, texts of projected legislation, or decrees. He extracts those routine matters that the Minister has indicated he does not wish to see and passes the remainder to the Minister's office. All outgoing mail, instructions or cables are to pass through his office, and he officially signs all but the most important of these changes in policy. Very delicate instructions are left to the Minister.

The point through which messages are passed to the Minister and instructions received from him, the Secretary General's office prepares for the Minister recommendations for nominations to important posts, policy suggestions, papers reconciling diplomatic perspectives with the technicalities of economic policy or technical funding, et cetera. Normally, the Secretary General will inform the Minister of his considered judgement of the options proposed. In the absence of a travelling Minister or during a crisis occupying the Minister's full attention, his top career officer can assure continuity and take decisions on noncritical matters. In these instances, he can sign all but the most crucial correspondence; crucial messages are forwarded to the President's office for handling.

In order to be informed of the work in process as well as increase his "feel" for the men under his charge, the current Secretary General has institutionalized coordination of his bureau heads through bi-weekly meetings. He also meets individually or in small groups with each as matters arise. He allocates workloads, comments on incoming messages, and indicates the contents of information or instructions to be sent to the field. These meetings may range from consideration for enforcing policy to setting a personnel policy, for instance regarding recruitment, in order to increase the technical competence of the diplomatic corps.

II. Commentary

The balance in roles reserved for a Secretary General and a Minister differs according to the varying conceptions of each, according to political systems in which the post exists and according to personalities of the men who fill the posts. Several types of Secretaries General may be imagined and have existed. Each is subject to the influence of political system and personality. Major variants that can be foreseen will be discussed below, and the evolution of the French Foreign Ministry post traced.

The Secretary General may be attributed full, wide, or limited functions. Distinctions may be put forward as to the aspects of functions to be treated, that is, administrative, political, or both.

The relation of the Secretary General to the Minister is a consequence of the responsibilities assigned to each, as well as of the Minister's own relationship to the head of government and to Parliament. As France evolved toward a presidential system, the Secretary General's role has declined. This is the result of reduced ministerial competence in a system where the broad outlines of French policy are set by the President's office and the Minister is charged with their execution. The Minister is therefore, to some extent, his own Secretary General.

In a prior, clearly parliamentary regime, the Minister's role included greater responsibility and, consequently, a broader field could devolve to the Secretary General. He even testified before the National Assembly's Foreign Affairs Committee in the stead of his chief.

Given length of tenure and control over the administrative, if not the political, apparatus, the Secretary General could easily become a powerful threat to a Minister. With a weak Minister, this career officer could take wide latitude in nominating ambassadors, molding and interpreting policy, and so on. A Minister may seek alternate views by establishing other services¹⁰ attached directly to his office or by relying on a coterie of personal aides. Part of the workability of the French system, therefore, relies upon the Secretary General's view of himself as a civil servant and upon his restraint in opposing his power to that of the Minister's.

The Secretary General slot was created in the 1920s and tailored to the personality of the man for whom it was intended, P. Berthelot. The original occupant was a person clearly of ministerial stature but who refused to enter any Third Republic government. Much importance therefore accrued to the position but varied as lesser figures filled it or as ministers hemmed it in, perhaps through the creation of one or more intermediary Secretaries of State.

Under Debré and Jobert, the post was noticeably less important in substantive issues. The two activist Ministers found room for initiative blocked at the top by either a strong President or by well-established policy lines and reached downward for material upon which to exercise authority. Nominations to ambassadorships, for instance, received scrutiny, whereas in previous regimes the Secretary

¹⁰This was the reasoning behind Foreign Minister Jobert's installation at the ministry of a planning unit in 1973. He was not seeking just alternative views to those evolved within his administration but wider, intellectually different views.

General might have wielded greater authority in such a matter.

Within the limits, closed or wide, of his responsibilities, the Secretary General must view his role as complementary to the Minister's. Yet, vis-à-vis all subordinate officers, he must possess unchallenged authority. If his functions straddle administrative and policy matters, he must have a certain stature and be personally knowledgeable about domestic as well as external problems and their significance for the country. In the past, non-career diplomats have held this post.

BRITAIN

Like his German and French counterparts, the British Permanent Under Secretary is his country's highest diplomatic official, the senior member of the official hierarchy at home and abroad. The capstone of the professional services, this post provides a clear incentive or reward to career officers. It is normal practice in Britain to give retiring secretaries a life peerage.

The mediator between the civil service and the Foreign Minister, the Permanent Under Secretary accumulates operational and administrative responsibilities. He serves at once to protect the highest echelons of the professional service from undue political and personnel changes and to carry out duties which the Minister may assign to him. While his precise duties fluctuate according to the Minister's will and the organization the Minister adopts at the Junior Minister level, the Permanent Under Secretary is generally removed from internal domestic political considerations. Unlike the corresponding position under French Fourth Republic, he is not called upon to defend his Minister or policy before Parliament (this role falls to Junior Ministers instead).

Charged with a wide range of coordinating activities, the Secretary has daily meetings of his Under Secretaries plus other meetings, with pertinent officials whenever matters arise which require his advice or consideration. The FCO Planning Staff and its supervising Planning Committee report to him rather than to the more politically preoccupied Foreign Secretary. He himself has direct and daily contact with the Foreign Secretary.

Like the German State Secretary, the British Secretary deals with substantive matters; routine matters are dealt with lower down in the Ministry.

Outside the walls of the Ministry itself, the Secretary has several important jobs. He may represent the foreign office for general purposes in inter-ministerial meetings, for example concerning European cooperation.¹¹ A link between political and

administrative realms, he may shadow his own Minister or a Junior Minister in Cabinet meetings. Finally, as the Foreign Affairs Ministry's chief accounting officer, he may testify to parliamentary committees on a wide range of issues.

Secretaries see their tasks differently but are generally in agreement that it is appropriate or essential for them to coordinate views within the administration and to present the Minister not with a set of divergent opinions that he would have to arbitrate but with an agreed recommendation. Ministers may teach beyond the Secretary and seek unrestricted views from division heads.

The "permanence" of the Secretaries is generally about four years (although some may transfer ministries and prolong their service at this level). Most have already served 30 or more years in the home service. They are relatively well-paid and may earn more than a senior Minister.

There is a continuing dialogue among the Secretaries of all Ministries, and it is generally conceded that they could, if united, raise tremendous obstacles to the adoption of any policy they deemed unsuitable. This is more likely on a professional matter than a political one, for this level includes all shades of political opinion on a variety of issues. Their dialogue is facilitated by a generally shared educational background, the redoubted "Oxbridge" ties.

GERMANY

Introduction

The State Secretary in Germany¹² is not strictly comparable to the British Permanent Under Secretary or to the French Secretary General. Unlike the French governmental organization, this officer is a regular part of all ministries. While all three posts in the Foreign Offices are filled by the highest ranking civil servant, the German State Secretary is a more powerful figure. Further, the German system has two such officers who divide duties between themselves.

Agriculture, Treasury, and the Second Permanent Secretary of the Cabinet office, who chairs.

¹²The German system also includes two State Ministers (called Parliamentary Secretaries in all other ministries but recently changed in the Foreign Affairs Ministry) at a level parallel to the State Secretary but who are not civil servants; rather they are parliamentarians charged with representing the Minister in Parliament. One is charged with European affairs. In regard to the internal functioning of the foreign office, their opportunities to become involved are limited. Neither have any administrative responsibilities and in theory must pass through the State Secretaries for information from desk officers. On the other hand, they not only have a liaison function with Parliament but even represent the Minister in conferences with other foreign ministers.

¹¹And attended by his counterparts from the Ministry of

Functions

There are two aspects of their responsibility. The first is the internal coordination of the work done in the Ministry and coordination among the ministries. In the fulfillment of the first function, the State Secretaries attend the daily meeting of directors, where the day's incoming telegraphic traffic is reviewed, longer-range problems are discussed, and immediate administrative matters dispatched. This is not a policy-making forum but one where minor decisions must be made in order to carry out overall programs. The State Secretary arbitrates whenever any lower levels are in conflict about alternatives. Ad hoc meetings within the Ministry are chaired by this official and are called to evolve policy guidelines.

There is no institutionalized body or forum where the State Secretary issues his orders; rather these are given personally.

Another aspect of the internal duties is the "gatekeeper" function for the Minister. The State Secretary decides which cables, reports, and problems for decision are passed to the Minister. Such discretion is exercised according to general guidelines which the Minister has personally laid down. Depending upon the Minister, much room remains for the State Secretary to make wide-ranging decisions on many matters. He also represents his Minister abroad and signs outgoing messages in the Minister's absence. The State Secretary, therefore, towers over his current British and French counterparts.

Interministerial Coordination

The State Secretaries are part of the complex interministerial coordination and decision-making structure which exists in ad hoc and institutionalized forms. Every Monday, a government-wide meeting is held in the Chancellor's office, where these ministerial representatives apprise each other of work or views at their home office. Complete with agenda, this meeting is in effect a sort of lower-order cabinet meeting and acts to prepare that meeting. On certain questions, it is empowered to take final decisions.

A smaller State Secretary committee comprised of the officials from the Ministries of Agriculture, Economics and Finance, as well as the Ministry of Foreign Affairs, meets regularly to examine European policy.

Some of these Permanent Secretary committees are paralleled by committees at the level of department heads or Section Chiefs (see preceding section on general organization in Germany). In part, the interministerial State Secretary committees are organized to be analogous to some of the Cabinet committees, and an important part of the State

Secretaries' duties is to deputize for or to attend with their respective Minister in Cabinet committees.

The continuity of a government also is better served by the office of State Secretary throughout governmental administration. Officials in the German government stress that what matters most in a well-organized foreign office is not the genius of a single person but, rather, the wisdom of the apparatus. Instead of viewing the bureaucracy as an impediment to a properly functioning foreign policy, it is argued that, given a free flow of opinion (within the Foreign Office and between the Foreign Office and the overseas missions), the bureaucracy is essential to good government. The office of State Secretary, therefore, serves to represent the principle of the *delegation* of authority which German government officials believe necessary in any modern government and which has been discussed in a prior report. Thus, while it is possible for a given State Secretary to lose his job (the Foreign Minister can put in someone he prefers), the continuity of the delegation of authority is upheld. Since the State Secretary has such great familiarity with the workings of the Ministry,¹³ a new Minister is highly unlikely to dismiss this official early in his term.

RECOMMENDATIONS

Several U.S. departments have Under Secretaries and Assistant Secretaries whose roles resemble those conceivable for a Permanent Under Secretary. A number of differences, however, in U.S. and European practices highlight lessons that might be drawn from the examination of the European institutions.

The European officials have made their career in the ministries; they are not temporary appointees and traditionally have not been political figures. As such, their familiarity with the organization and its ethos, problems, and hopes qualifies them to have final responsibility for administrative matters. Yet, given the substance of their career, they are highly qualified to evolve workable policy guidelines, to synthesize the department's work, and to arbitrate or decide on disputed views. Their authority is supported by their personal high grade. In interdepartmental or in-house councils, this officer is a valued, authoritative interlocutor.

The scope and nature of his duties can be modified according to whether an intermediate level of officials comes between this officer and the Minister. For instance, the Permanent Under Secretary can be sealed off from the world of intra-governmental politics by the existence of an Under Secretary or Vice Minister who is charged,

¹³Although he is not always from the diplomatic corps.

inter alia, with testimony before committees on the Hill.

An important feature of this position, particularly in the British and French systems, is the permanence of the official. His appointment normally runs until his retirement and may well overlap the term of several Secretaries of State.

In short, three advantages seem to stem from this institution. First, the Permanent Under Secretary is the capstone of the professional service and provides the necessary expertise to balance a politically appointed Minister; second, the Permanent Under Secretary provides for continuity of policy and practice during the Minister's absence as well as during changes of Ministers and of governments; third, the Permanent Under Secretary protects the highest echelons of the professional service from undue political and personnel changes. The singular disadvantage is obvious: it is difficult to fire a Permanent Under Secretary.

The German system, on the other hand, maintains continuity at ambassadorial level rather than at the highest levels of the Foreign Ministry. A change of government or of Foreign Minister in Germany can legally produce a turnover of the top four levels of the Foreign Ministry (the Minister, the two Ministers of State, who act as Parliamentary Secretaries; the two State Secretaries, who report directly to the Minister; and the Assistant Secretary level, about ten in number). Such turnover is likely, of course, to be gradual. Ambassadors, however, do not submit their resignations automatically upon a change of government.

The Institute believes that maximum stability and continuity could be achieved in the U.S. system by adopting the institution of the Permanent Under Secretary, combined with the three countries' practice of ambassadors not automatically submitting resignations upon the election of a new administration.

E. Overseas Missions

COMPARATIVE INTRODUCTION

The trends affecting ministries of foreign affairs are universal, and the reactions by the ministries differ little. Examination of the overseas missions of each of the three countries studied reveal similar patterns of organization and purpose. The observations about British missions reported in full below are generally valid for French and German overseas posts.

The foreign offices in all three countries have had to put down challenges to their authority overseas. Each nation's ambassador has formal responsibility for signing all cables or for delegating signature.

The British, for instance, limit the number of persons authorized to sign to three persons in the ambassador's private office. This means that all messages, even those reports written by personnel seconded from other ministries must be seen by the ambassador and underlines his supremacy at post. The actual exercise of this responsibility varies as a function of an ambassador's self-assertion or his working relations with persons assigned to his ministry. In France, some jealousy is said to exist between ENA diplomats and ENA commercial attachés who can never hope to become ambassadors. It cannot be concluded, however, that a French ambassador then uses his authority to block the attachés' reports; in fact, they are usually forwarded through the Ministry of Foreign Affairs to the DREE without change.

The three ministries have established their control on communications to post also. There are some notable exceptions to this in the case of the French, where the Secretariat for European affairs is the proper channel and in the case of the Germans, where the Ministry of Economics may deliver "technical" instructions directly.

All outgoing communications in British embassies concerning intelligence matters must be approved by the ambassador or his designate. One or the other also reviews incoming communications. The designate must be an embassy officer responsible to the Foreign Office and not to any intelligence agency.

The composition of diplomatic missions reflects the widening involvement of domestic missions in foreign affairs. Civil servants in each country are seconded to foreign posts but can no longer receive instructions from, or report to, their original Ministry, as they now have the status of a foreign service official. The ambassador writes the evaluation of their work. In delegations to multilateral organizations, foreign office personnel is usually outnumbered by personnel from other technical ministries. Bilateral missions continue to have a regular or high complement of diplomats.

The problem of ambassadorial assignments was not explicitly investigated. The practices of the three countries differ from that of the United States chiefly in regard to selecting ambassadors from the diplomatic corps. The European nations do sometimes put non-diplomats in these posts: Sir Christopher Soames, the British ambassador to Paris, was not a career man for instance. In a system when ambassadors are career men, their automatic resignation upon a change in government loses its rationale. Changes can always be made in assignment and political rewards or punishment made; for instance in France, too-European an ambassador might find himself shunted off to an African or Asian post.

While it has been charged that U.S. political appointees, despite any personal prestige, "down-grade" U.S. representation at working levels, it must be noted that all sophisticated European governments likely to receive such an appointee are familiar with the U.S. practice. Senior and experienced FSOs are normally named to provide backing in these posts. While this measure might be more systematically assured, it appears a first step to assure the quality of U.S. representation. Further thought might be given to enhancing the official role of the deputy chief of mission in both representational and administrative duties.

THE ORGANIZATION AND CONTROL OF BRITAIN'S OVERSEAS MISSIONS

Introduction

The role and purpose of British overseas missions has naturally been affected by the evolution in the nature of foreign relations and in the forum in which these relations are treated. At home, new importance accrues to ministries other than the traditional foreign affairs vehicle, and the highest political official plays a crucial part.

The effects on the missions due to evolution or reorganization in domestic structures are examined below as they influence the work and the organization of British posts.

Effect Of International Context

The growing interdependence of domestic and foreign policy issues in Britain has been reflected in overseas missions by an increase in the number of home civil servants among their staff. This, in turn, results in continuing pressure from the domestic ministries for a further increase in their number. All of the major British missions within the North Atlantic area now contain civil servants from domestic ministries, in addition to military staffs. In several cases, these amount to a considerable proportion of the staff: half of the British mission to the OECD, for instance, is drawn from outside the diplomatic service, and a third of the civilian component of the British NATO delegation comes from other ministries.

Coordination and cohesion are maintained by the principle of diplomatic service authority and control over communications. Heads of embassies and of missions are normally drawn from the diplomatic service. Normally, their deputies are also career diplomats. The central core of each mission, the Chancery, through which regular communications with Whitehall are channelled, is staffed exclusively from the FCO. Daily morning meetings of all senior staff in missions, chaired by the ambassa-

dor or his deputy, ensure that the different sections keep abreast of each other's activities. The principle, established by the FCO within the last ten years, that home civil servants stationed in overseas missions should be seconded to the diplomatic service itself for the duration of their posting further reinforces the cohesion of the mission.

The FCO has resisted pressure from domestic ministries for a further expansion of seconded posts abroad. Its argument is that such posts come rapidly to be regarded as the private reserves of particular departments, that their occupants frequently do not carry a full load of work, and that their outlook and experience is too limited to enable them to play a full part in the work of the mission. The FCO's preference is for smaller professional missions whose work would be supplemented by visits of specialists from Whitehall.

The counter-argument, from domestic ministries, has perhaps been made most vigorously in recent years by the External Relations Divisions of the Ministry of Agriculture. They argue that diplomatic service personnel have neither the interest nor the commitment to supply them with the particular and detailed information they need, nor do diplomats have the expertise to be accepted by the foreign officials and advisers with whom Agriculture must deal as valuable and trusted contacts. The result has been both a gradual increase in the number of specialist attachés seconded to overseas missions, and a sharp and continuing rise in travel to overseas capitals by home-based civil servants. This trend is notable during the past five years, particularly under the impact of EEC membership.

This rapid expansion of international travel by home-based civil servants has significantly affected the responsibilities of British overseas missions. It is far less common now for embassy staff themselves to conduct intergovernmental negotiations. Instead, teams of officials are sent from Whitehall. The embassy provides background information and continuity between visits and performs what one government report called "the essential door-opening function". The purpose and role of British overseas missions differs little from that of American missions abroad. They provide information to Whitehall on local political and economic developments, together with advice on British policy towards them, conduct intergovernmental relations on behalf of Whitehall, promote British civil and military exports, attempt to influence overseas opinion, assist British subjects and process potential travellers to Britain.

The order of priorities given to these different purposes, however, differs sharply from embassy to embassy. The "comprehensive" missions which Britain maintains in Western Europe and North America are concerned with all of these and more,

They assure liaison on joint technological projects, military and civil, and provide an increasing flow of information to domestic ministries in Whitehall on developments of interest to them in the domestic social and economic policies of other countries. The missions to the Indian sub-continent, by contrast, find the regulation of immigration to Britain one of their most pressing and time-consuming tasks and are also directly concerned in the administration of the aid program.

There has been a determined effort during the last ten years to reduce the size and tasks of missions outside the North Atlantic area, in line with the reduction of Britain's political and military commitments. Cutbacks on the volume of political reporting have been decided, leaving often only a marginal concern with domestic political stability and with a country's voting intentions in the UN and elsewhere. The missions concentrate predominantly on commercial, consular, and aid work. The reduction in the size of such overseas missions has counterbalanced the growth of bilateral embassies and multilateral missions within the North Atlantic area.

Technology has also affected the traditional role. The expansion of overseas travel by officials responsible for policy making in Whitehall has naturally followed from the increasing ease of international travel, particularly within Western Europe. (This is a phenomenon which is likely similarly to affect the United States, as North Atlantic travel becomes both faster and easier.) The traditional role of missions is also bypassed by the emergence of direct bilateral and multilateral contacts between home-based officials in different capitals, made steadily easier by the improving telephone and telex links among European capitals and by the ease with which European civil servants can fly to other capitals and back in one day.

Fifteen years ago, it would have been considered highly improper for a civil servant to telephone his opposite number in a European capital without first clearing it with his Permanent Secretary and, through him, with the Foreign Office. Now direct telephone conversations are considered normal practice; the Bank of England even participates in a multilateral telephone circuit in use three times a day. The facility of contacts necessitates very careful coordination between different departments in Whitehall and between the officials concerned and the resident mission to assure coherence in British policy and to avoid bypassing the missions. Unless posts are fully briefed on the thinking of their own governments, they risk being ignored by the governments to which they are accredited and which now have the ability to contact their opposite numbers directly if they consider that only by such contact can they get an accurate answer on government policy.

The British government has developed a number of procedures to ensure that missions are kept fully informed on the progress of bilateral and multilateral direct conversations and so retain their role in intergovernmental relations. It is a normal procedure for visiting civil servants to brief mission staff on developments and to be accompanied to meetings in the host country by a member of the resident mission. Minutes are circulated to posts concerned on important meetings and even, on occasion, on the substance of significant telephone calls. All secure and urgent communications go through the FCO, which undertakes to inform those who need to know in Whitehall and abroad. Direct and secure lines to Brussels and to Washington now exist, as well as, of course, non-secure telephone and telex. Less urgent background information continues to be sent by diplomatic bag. The FCO in some areas effectively acts as an agency for domestic ministries, transmitting, for instance, telegrams between the Treasury and its representative in Washington. This agency role enables FCO departments to file copies of relevant messages and to keep in touch with the policies of other ministries. A number of standard "distributions" around Whitehall for incoming telegrams, forwarding between twenty and three hundred copies to interested officials, also furthers coordination and communication. Telegrams are also "copied", according to standard procedures, to selected overseas missions as background information.

The rapid expansion of the range and scope of intergovernmental relations has brought with it a similarly rapid expansion in telegraphic traffic and in the pressure from domestic ministries for copies of relevant messages. This growth in traffic was particularly marked on entry to the European Community, as other ministries demanded much wider circulation of messages. The FCO has, therefore, exerted pressure to reduce the flow of messages to avoid an overload of messages swamping their recipients. Political reporting has been reduced, partly by encouraging missions to place items on the file rather than to forward them to Whitehall. The continuing expansion of intergovernmental contacts, however, makes it likely that the growth in telegraphic traffic will continue, if only to ensure cohesion between the different departments of government.

F. Organizational Unity Of Aid And Cultural Programs

FRANCE

Two characteristics of the French system for organizing cultural and aid programs stand out. The two types of activities are joined administratively

but are conducted by two authorities, each organized to deal with different geographical regions. France has interpreted its historical and current political relations in such a way that all cultural and technical cooperation programs for the French-speaking nations south of the Sahara (for the most part, former French colonies) and the Malagasy Republic are under the responsibility of a separate ministry.¹⁴ Responsibility for such programs in all other countries lies with a major division of the Ministry of Foreign Affairs, the Directorate General for Cultural, Scientific and Technical Relations (DGR CST by its initials in French). Overshadowing all efforts at lower levels is the close attention traditionally paid by the Elysée to African affairs.

The intervention that may come at any moment from the President's office constitutes the essential context in which patterns discussed below operate.

The chief aim in undertaking aid and cultural programs is the preservation of the French language. That aim, which does not have a single comparable counterpart in the United States, lends a unity to cultural relations and training programs featured in France's technical cooperation¹⁵ efforts. Many aspects of technical cooperation act to further French goals about her language, just as they act to preserve or extend traditional, broader cultural ties.

Part 1 notes the unity which this goal imparts to organizational and operating principles, which stress autonomy and consultation at a local level. Current organization and two operating principles will be discussed, then an aid decision sketched. The important coordinating machinery which has been set up by the Ministry of Cooperation and its functioning will be highlighted in this part. Finally, a word will be said about the primacy of the Elysée in terms of decision making and how it exerts itself in relation with the various ministries involved.

¹⁴The fortunes of this organization, established after the independence of these lands, have varied, as it has been both a Ministry and a *Secrétariat d'Etat* attached to the Ministry of Foreign Affairs.

¹⁵Clarification of the French programs is necessary as their conceptions differ from U.S. practice. Cultural relations refer to programs where France sends abroad French artists and teachers to present its artistic heritage or to convey its educational patterns via French institutions, where many of the students are French nationals. *Cultural* and *technical cooperation* refer to training offered to inhabitants of foreign countries, the more general or classical being "cultural cooperation", the more technical being "technical cooperation". Provision of actual material goods, *economic aid*, is therefore not an integral part of French cooperation. France has no economic aid missions in Latin America, so, for instance, the DGR CST is not concerned with providing actual machines, although its attachés abroad are concerned with coordinating possible supply and financing for French equipment. Questions of financing are likewise a major part of the Ministry of Cooperation's efforts, but here intermediary organizations with long-standing links to the business community facilitate the matter of supplying goods and arranging government credit or guarantees.

Part 2 reviews criticism or commentary made by French officials on the effectiveness of current organization and operating procedures to date, noting that the DGR CST represents a relatively recent reorganization of services. The Institute's recommendations are presented in the final part.

1. AIMS/OPERATING PRINCIPLES/COORDINATION

Preservation of the French language

The fact that all French programs are directly or indirectly linked to preserving the French language explains the emphasis on teaching in both cultural and technical cooperation programs. French linguistic policy simultaneously consists of teaching in the French language by French teachers, often in French schools established abroad, and of undertaking the training of foreign teachers. Under the rubric of technical cooperation, France sends French experts and, as a major part of its efforts, undertakes to train foreigners in a wide number of fields. Complementing a geographic approach is a distribution, *tous azimuts*, of written and verbal material in French. These actions are destined to create a future for the French language which, by its utility to and viability in these countries, can reserve the possibility of the exercise of French influence in the future.

DGR CST

Cultural and technical cooperation programs and collaboration in many scientific domains were grouped together under a new director general at the Ministry of Foreign Affairs in 1969. The new division assumes direct administrative responsibility for these programs in the foreign countries and plays a coordinating role at home among a number of other ministries involved (e.g. National Education, Economics and Finance, Agriculture, the radio and television agency, the French wire service, museums, *et cetera*).

The regrouping permitted a single administrative structure to manage the Ministry's most expensive activities, the cultural programs and technical cooperation. The rigidities of budgeting on an annual basis were seen as ill-suited to the projects themselves, which often required a time frame of several years, and funding on a medium-term basis (up to five years) has been instituted for certain projects. Further, the attempt to express the results of these programs in figures (see below) has underwritten the call for funding over the medium range.

A budget liaison office has been created and attached to the Director General's office in order to coordinate the needs of the three services of the DGR CST with the main budget division of the Min-

istry. The DGRCST spends two-thirds of the Ministry's budget, and it is therefore not surprising that it sends a separate representative along with the Ministry's overall representative to negotiate the Ministry budget.

To carry out the evaluation or transcription into figures of French aims, a small working group was named in 1969. It consciously took the United States and other countries' experience with Planning-Programming-Budgeting System approaches as a guide in developing its own "rationalization of budgetary choices" system (RCB after the name in French; this system is not as far-ranging as the use made of RCB in such ministries as transport, for example).

Three substantive sections of the division handle cultural exchanges and distribution, cultural and technical cooperation, and, lastly, scientific affairs. Within these sections the organization is functional rather than geographical. (It should be noted that press and information services are attached to the political division, although they have frequent and close contact with the cultural exchange and cultural cooperation sections).

Decentralization/Consultation

Although French programs have long benefited from the clarity of guiding goals, the modified RCB system forced French officials into even greater precision on a country by country basis about what they wished to accomplish. At the same time, authorities in the French Government and many other international aid donors were accepting analyses of various aid programs which concluded that resources merely replicating Western models in the Third World were to a large extent misapplied. Part of the suggested remedy was fuller consultation with the local recipient governments or regions.

This double impulse resulted in an administrative reform in 1971 which has decentralized the level of decision making about the content of French programs. While the larger aims continue to receive periodic reformulation at the highest levels of governments, individual embassies now establish their programs in consultation with the host government and within the general framework set by the Ministry.

Through the RCB system, each of the multiple activities in the fields covered by the new division has been assigned a value in constant francs. Each embassy is allotted a certain amount which it may undertake to spend, just as the responsible counselor or attaché, assisted by one or more deputies, may decide spending after consultation with the appropriate officials of the receiving nation and, of course, with the agreement of the ambassador, who assures that policy aims are observed or advanced.

The decentralization of the system requires that selection or arbitration among desired projects be done at the local embassy level. More accurate knowledge and constant evaluation of the actual operation exist locally and can weigh heavily in the consideration of requested projects. By permitting overseas posts greater responsibility in the choice of projects and the means to accomplish them, greater coherence for all French programs in that country may be achieved.

Ministry of Cooperation

The Ministry of Cooperation by its grouping of developmental programs and cultural, scientific and technical cooperation imparts coherence and consistency to French programs. Its authority over these programs acts further to assure coherence among the projects underwritten and to assure that major orientations of governmental policy are followed. Once its budget is agreed with the Finance Ministry and voted by Parliament, the Ministry of Cooperation has autonomy in managing its resources, allocating the recruiting personnel, and undertaking consultations with foreign governments.

In order to attune its programs to the needs of recipient nations and to act within French capacities of cooperation, the Ministry has institutionalized consultation with countries seeking aid, as well as coordination among interested government officials. To enhance the finer tuning in its programs, the Ministry has delegated authority to local posts for the preparation of dossiers and the execution of agreed projects. These operating principles of consultation, decentralization, and intra-ministerial coordination may be seen in the following model of an aid decision.

Consultation

A country wishing French help may address its request both to the local French aid mission and to the Ministry in Paris, but the local mission prepares the detailed dossier. Locally, consultations are held to examine exactly what is being requested and to indicate generally what are France's possibilities, both in terms of materials and in terms of policy orientations. The mission drafts a proposal including estimated costs and submits it to the Ministry. In Paris, this proposal is analyzed by Ministry experts, and further consultation with the requesting government is held in a joint commission. The Ministry is authorized to decide ¹⁶ on many projects but normally acts in close cooperation with other

¹⁶After decisions are made, they are submitted in a *pro forma* fashion to a Fund for Aid and Cooperation for its information. The Fund is composed of administration, parliamentary, industrial, and even union representatives.

interested areas of the French Government (see below).

Decentralization

The most important consultation between the Ministry and the recipient countries takes place at the local level. There, the aid missions in recipient countries have considerable autonomy abroad in recommending projects, preparing dossiers, and implementing decisions. The head of this mission is formally under the authority of the ambassador, whose signature is required for all reports. Yet, the aid mission receives its budget as a part of the Ministry of Cooperation's overall budget, over which neither the Ministry of Foreign Affairs nor its ambassadors can have control.

Coordination

One of the most instructive elements of the French experience in this domain lies in the institutionalized coordination sponsored by the Ministry. It holds a weekly meeting, termed the "Bipartite", with representatives of the Ministries of Foreign Affairs,¹⁷ Economics and Finance, and Defense, as well as any other technical ministry which might be involved in an ongoing problem. The role of the "Bipartite" could be compared with that of the SGCI in the field of European policy coordination. Indeed, it is not merely a forum for mutual information, but it serves as a clearing body between these key ministries and is designed to confront their respective views on current aid matters and to come out with a coherent plan for action. The chairmanship of the meeting alternates between the representatives from the Ministry of Cooperation and from the Ministry of Foreign Affairs. Preparation throughout the week occurs through ad hoc contacts by the *cabinets interministériels* of all involved Ministries.

The Elysée

At the top of the pyramid, the primacy of the President in the making of coordination decisions reflects the long-standing priority given by France to African affairs. *Coopération* is traditionally an area reserved to the Elysée and accepted automatically by government officials. The organization within the Elysée is small, there being only three advisors who transmit the President's instructions to the Ministries. One of the three diplomatic counsellors is specifically charged with all African and Malagasy matters. This man is the usual channel between the President and the DGRST or the Ministry

¹⁷The Foreign Affairs Minister is usually represented by a high official from the political section and a high official from the Ministry's division of African and Malgache affairs.

of Cooperation. He receives cables from the Ministries, writes reports destined for the President's eyes, plays a major role in deciding and organizing the President's travels in Africa and, as noted, conveys most of the President's instructions. In addition to this channel, it should be noted that the Secretary General of the Elysée also provides a continuing link between the President and the Ministers' private offices for all major issues. Indeed, despite the informality and smallness of the Elysée organization, the important questions are resolved here and directions for their execution sent to the lower echelons.

2. COMMENTARY

The foregoing description points out the unity achieved within each organization and highlights the resultant efforts to mold French programs to recipients' needs through consultation and decentralization. Even greater unity could occur through the definitive attribution of all such cultural and assistance programs to one organization. Indeed, responsibility is even further diffused for a section of the Ministry of Foreign Affairs exists which has responsibility for political affairs in the sub-Saharan African states and Madagascar. One should stress the very serious inconvenience of such divisions (geographic divisions between the Ministry of Cooperation and the DGRST) and based on the nature of the relations, e.g. political or cultural. It should also be noted that there exists a noticeable lack of consensus among civil servants about the performance of the system. Some of them think that, in a sense, the creation of the Ministry of Cooperation has aggravated these divisions while others, usually from the Ministry have favorable opinions, foreseeing a future regrouping of all development activities within it which would lead eventually to the desired unity. In the DGRST, the procedures described above have been in operation only a few years, and no unfailing judgement can be made yet. Self-criticism by the division points to weakness on the part of the field in preparing its separate plans, but, with time and experience, the posts are expected to improve and to make better use of the facilities made available to them. Better coordination between the field and Paris is particularly necessary in order to utilize existing scholarships and to create others in relevant disciplines. The procedures to assure budgeting over several years are undergoing review, but the principle itself is not questioned.

French criticism of their attempt to consult more fruitfully with the recipient countries stresses the need for more flexibility in their projects and in their administrative procedures. More information should be exchanged between donors and recipi-

ents bilaterally, as well as in multilateral instances, according to French authorities.

Although science programs exist within both the DGR CST and the Ministry of Cooperation, the administrative affiliation has proven artificial for the former, at least. The section has practically no contacts with the other major sections of the division but has its closest working relation with the economics division of the Ministry of Foreign Affairs.

RECOMMENDATIONS

The French pattern of joining longer-range aid and cultural programs offers a provocative model. For the purpose of examining this idea, a working distinction might be made between longer-range goals aimed at creating a milieu in which U.S. principles, democratic ideals, preferred economic precepts, *et cetera* might be preserved and shorter-range actions based on immediate policy. Economic, technical, and cultural programs designed to prolong U.S. influence and views over time might usefully be centered in a single department. Policy justifications through information services could be attributed to the Department of State.

Greater consultation in the field with the recipient governments is an attractive operating principle. Combined with greater autonomy in selecting projects and means, it could work to permit clearer uses of U.S. funding.

The autonomy and independent budgeting of the new department's posts overseas should not pose any organizational challenge to ambassadorial authority, especially as U.S. regulations clarify the intended range of authority. Given the clarity of goals agreed for the new department and inter-departmental elaboration of projects, (and perhaps a yearly review), any disagreements could be resolved.

To underline the long-term intentions of the programs to be attributed to a new department in the place of USIA, AID, the Peace Corps, *et cetera*, budgeting would no longer be on a yearly basis but would be established on a medium-term, five-year basis. Programs could thereby be insulated from the heat of temporary political passions, whether on the part of Congress or directed towards an "offending" foreign country.

The insulation would consciously work to remove programs of these sorts from diplomatic maneuvering, at once a loss and a gain. Many other activities could be maintained for more immediate political purposes of reward or chastisement, e.g. yearly scholarships, donations of books or farm equipment. Yet, the rigidity introduced would work to promote the oft-voiced U.S. objective of lessening the politicization of its cultural and aid activities

and of pursuing long-term developmental activities.

While the United States currently has no single goal that unifies specific actions in the technical cooperation and cultural fields such as the preservation of its language, it would be benefited by this organizational pressure to make explicit the reasons behind actions undertaken in the more subtle fields of cultural relations and developmental cooperation. The Institute believes that it is not too early for U.S. officials to evolve future models for a world where the position of the United States, its technology, fundamental precepts, *et cetera* may be eroded. Such speculation might yield a useful comprehension at present for the basic need, witnessed in the French case, to work for future as well as present capacity for influence.

Given the necessarily "national" perspective within this study of France's system for organizing cooperative aid and cultural programs, little attention might be paid to the perspective which the Institute believes most likely to accomplish actual development. Coordination among donor nations and even joint undertakings are necessary in order to accomplish real and even development.

III. CASE STUDIES: FUNCTIONS

A. Coordinating and Conducting Foreign Economic Policy—Britain, Germany, France

INTRODUCTION

The introduction will have noted the current preeminence in international relations of commercial and financial issues. Two effects on governments of this evolution are, first, to impose a requirement for a new coordination within national societies and, second, to bring different governmental structures to an important role in the foreign policy process.

To the extent that governments see unified policy as an additional resource, they have reacted to these effects. No one of the three countries studied has evolved a system covering the entire range of economic policy, although the French government relies on a widely-admired coordinating unit for the particular area of European economic cooperation.

The changed nature of the issues being dealt with has led, in Britain and in France, to the superseding of the traditional governmental structures for dealing with external relations. In Ger-

many, the evolution has differed slightly in view of several unique factors. No office to deal with foreign affairs existed immediately after World War II; domestic exigencies gave an unmatched importance to the Ministry of Economics, a trend which gained momentum due to the personalities of the men at its head.

The following sections will describe the reaction of the three governments to the need for coordination and to the changing locus of responsibility. The general trends and patterns for handling foreign economic matters and for coordinating among interested governmental organizations will first be described for Britain and Germany; then the French machinery for coordinating policy for the specific area of European economic cooperation will be examined and analyzed. The Institute's reflections about the organizations and mechanisms described will conclude this section.

BRITAIN

For a decade and a half after World War II, the determination of British foreign economic policy was largely separated from the management of the "great" issues of diplomacy and security policy. Commercial policy and commercial negotiations were primarily the responsibility of the Board of Trade, with the Foreign Office playing an auxiliary role. Financial policy was decided by the Treasury and the Bank of England, with only occasional Foreign Office involvement. Now, however, the decisive role of the major government departments is subjected to the integrating efforts of the Cabinet Office and, particularly, of the economic section of its Secretariat (a small, eight-man staff whose capacity to control should not be overemphasized). Interestingly, the Foreign and Commonwealth Office (FCO) has managed in these conditions to create an opening wedge for itself.

Financial Policy

The separation of foreign economic policy from other areas of overseas policy was made possible by the direct access of the Treasury and, to a greater extent, by the access of the more generously staffed Bank of England to a network of international information and consultation independent of the Foreign Office. This network included contacts among central banks and developing bilateral and multilateral contacts among finance officials. Embassy reporting was concerned with political and commercial matters and deemed "thin" on economic matters; not surprisingly, the Treasury preferred to rely upon its own sources and on those of the Bank of England.

Commercial Policy

The place occupied by the Board of Trade has been encroached upon by other technical ministries as economics has placed its imprint on foreign policy considerations. There has been a widening involvement of domestic ministries, from the Ministry of Agriculture and Fisheries to the Ministry for Industry, in politically sensitive international negotiations. The Foreign Office has seen its position improve at the same time, although the chief responsibility for coordination and determination falls to the Cabinet Office.

Fortunes of the Foreign Office

Reinforcing the earlier separation between foreign economic policy and the more traditional content of foreign policy was the absence of economic expertise in the Foreign Office and the poor quality of embassy economic reporting. The increasing political sensitivity of international economic issues during the 1960s has demanded considerable adjustments on the part of the FCO. Over the past ten years, both the attention given to international economic questions and the degree of expertise that the FCO can bring to bear on them have grown considerably, first in commercial policy and in export promotion, more recently in financial policy. The gradual realization from 1964 onwards that an independent foreign policy was impossible without the backing of a viable economy and the experience gained in the successive approaches to the European Communities, were reinforced by an appreciation among some diplomatic service officials that the FCO would increasingly lose out in Whitehall unless its members were able to contribute effectively to economic discussions. The expansion of the number and activities of the functional departments of the FCO since the merger with the Commonwealth Office between 1965 and 1968 also raised the level of attention paid to the whole range of international economic and industrial concerns.

Members of the diplomatic service have in recent years been seconded to industry and to the City, to the Treasury and, from 1969, for short periods to the Bank of England; mid-career training in economics has been undertaken. Whereas commercial reporting destined for home industrialists rather than economic policy makers had dominated embassy economic reporting until the late 1960s, the quality and utility of reporting have improved enormously in the last five or six years. The financial counsellor in Paris in 1973, in contrast to many of his predecessors, had spent a year in the Treasury before taking up his post. His opposite number in Bonn had spent the first three months of 1973 in the Bank of England before relieving someone who had been seconded to the Bonn Embassy from a

merchant bank. Familiarity with economic issues has also been supplemented by detailed economic briefings from the Treasury for members of the more important embassies. Informal cooperation with the Treasury has been made easier by locating most of the FCO's economic departments in the same range of buildings as the Treasury. (Since the completion of the merger with the Commonwealth Office, the FCO has also contained a small economists' department, composed of three trained officials).

While communications between the Treasury, the Bank of England, and the FCO have been made closer, both by improved provision of information and by exchanges of personnel, the growing complexity of issues has led to a greater emphasis on the Cabinet Office, displacing the Treasury's coordinating role. It or the Treasury chairs interdepartmental committees uniting the technical ministries and FCO representatives. The Bank of England has also been drawn rather more fully into relations with Whitehall departments other than the Treasury, and into the whole structure of foreign economic policy making; it, too, sends representatives to such committee meetings. If the bilateral relationship between the Treasury and the Bank, which formerly determined international financial policy, has thus now become a triangular relationship with the FCO, the FCO role remains the weakest of the three, primarily because of the concentration of economic expertise in the other departments and because of the preoccupation of successive Foreign Secretaries with non-economic matters. If the Foreign Secretary is not interested in economics, the Foreign Office cannot now contribute sufficiently pertinent or well-informed views in interministerial settings.

GERMANY

It is in the area of trade negotiations that Germany has the most continuous contacts among ministries throughout the four-tiered system described in an earlier report. Technical ministries assume wider responsibilities in this area, while the Foreign Office provides certain services to delegations. The government's position for virtually all negotiation with other countries (including international conferences such as the World Food Conference) is prepared by an interministerial committee, which can be convened on an ad hoc basis or as a permanent committee, meeting regularly.

Interministerial Handling

Technical ministries are increasingly involved in the formulation and, in some cases, administration of foreign economic policy. Coordination, in these areas, involves thus not only the organization of

administratively dispersed skills to cope with particular negotiations but also the need to reconcile the interests of different groups within society.

Negotiating delegations are composed of representatives from the several interested Ministries when the matter touches their differing domains, notably general policy, economics and agriculture. Usually a representative of the Ministry of Foreign Affairs heads the delegation. He receives his instructions from the chairing Ministry, which will have secured cabinet approval for the instructions; thus a foreign affairs official may receive instructions from another Ministry, but these represent government policy.

Treaties of such importance in trading matters that a law or approval will be requested of the parliament are not signed by the chief of the delegation but rather by the Minister of Economics or of Finance. *Länder* governments in Germany sometimes are among the signatories to such treaties, especially if a financial contribution is expected of them, and hence they may also name representatives to the negotiating delegation. (An observer representing all of the *Länder* is attached to the German EC delegation).

When the negotiation concerns a minor matter, the trade departments in the Ministries of Economics or Agriculture have the authority to conduct negotiations and to sign accords. Such treaties do not have financial implications, do not touch overall policies and do not require new legislation but fall clearly within existing legislation. The Bundestag Committee handling such matters may request a report; but this is rare, and the Ministries do not usually make reports on such accords.

Role of Foreign Office

In economic matters, the German Ministry of Foreign Affairs plays a reduced role in negotiations relative to its stronger colleagues in the Ministries of Economics, Finance and Agriculture. It has, however, seized upon a technique and a principle to maintain its position. The technique is the control of communications to the delegation (although a few exceptions exist). The principle is the Ministry's theoretical right to be kept informed, to participate in every decision concerning German foreign policy and to judge whether a new negotiating issue or instruction has a political aspect and whether an instruction can be sent in the form drafted by the technical ministry. If necessary, the responsible desk officer may seek the interministerial committee's view by telephone, or a meeting may be called.

The Ministry originally had an important trade department, but now trade questions are generally attributed to the relevant political desk. A trade department does continue to exist, having as its

major responsibility multilateral or general questions. The Ministry is chiefly concerned with detecting policy made unwittingly in technical reports rather than attempting to deal alone with full competence.

Other Ministries have organized new international affairs sections in view of the importance of the problems, as well as in view of the important role that may fall to them. The Ministry of Economics, for instance, may pass instructions of technical relevance directly to the German missions to the OECD and to the EC. It may not, however, circumvent the Ministry of Foreign Affairs in regard to GATT. The two ministries are in constant competition, given their shared responsibilities, notably in regard to the EC. A private agreement has been worked out between the Ministries of Foreign Affairs and of Economics whereby all "technical" matters are left to the Economics Ministry. The key to the accord lies in the agreement to interpret the word "technical" in as large a sense as possible. This has not prevented both ministries from sending contradictory instructions to the EC delegation.

Commentary

The forum for interministerial coordination in Germany may be invoked with rapidity and flexibility. The four-tiered system serves a general information purpose at the same time that ad hoc coordination on specific matters may occur. High level participants judge that, without too much standing machinery, good and close coordination exists among the Ministries. This judgement is belied to the extent that German delegations, notably the EC mission, receive contradictory instructions. The self-confessed inability to reach an agreed position *within* the Economics Ministry is a useful reminder that intra-ministerial coordination is a no less meaningful arena for policy coordination. The particularities of the German economic system and the consultation between economic groups and the Ministry of Economics doubtless augment the dual problem of coordination for this Ministry.

Decisions made in international instances such as the EC or the Kennedy Round penetrate intimately into the German economy. Since German Ministers are also politicians, those at the head of certain Ministries have the prior task of arbitrating among politically relevant groups. Domestic bases for foreign economic policy may conflict among themselves as well as with a general line of foreign policy and the Ministries therefore have to undertake several levels of internal consultation before the lines of policy may emerge and the interministerial forum convoked.

When very important decisions must be made quickly during the negotiations, the interministerial

system can be ignored. A quick call to the Chancellor and to the responsible Minister may be the only procedure used to modify negotiating instructions. In many dealings with the Brussels delegation, the Economics Ministry alone handles the problems without recourse to the coordination system.

The committee system is deemed valuable for the contacts it establishes and the appreciation of different concerns of each Ministry which it offers. Yet, the machinery does not eliminate rivalry or contradictory views. In the absence of an overall policy, no forum, whether it be the Chancellor's office or the Foreign Office, can assure long-term coherence. In the short-term, the committee structure can achieve agreement on bargaining strategy but alone cannot produce technical quality of instructions or long-range policy.

ECONOMIC COORDINATION—FRANCE

INTRODUCTION

A small staff attached at the peak of the French ministerial system, the Prime Minister's office, has subsumed the duties of coordinating various Ministries' viewpoints and instructing French delegates in instances dealing with European economic cooperation. The result has been an enviable record of cohesion and decisiveness which the French delegation has been able to turn to its advantage in the EC where its performance has contrasted with the degree of preparedness and/or even occasional contradictions shown by its partners. The relationship of the Secretariat to the interministerial committee, which it formally serves, its functions, and how they are carried out are described in Part I. Part II presents additional information or commentary designed to place the Secretariat in its wider context.

I. THE WORK OF THE SECRETARIAT

Seeing unity in its foreign policies as an additional resource, the French government has institutionalized cooperation and instruction of French delegates in regard to European economic cooperation at the level of an interministerial committee. A Secretariat exists to permit the Committee¹⁸ to perform its duties but has in fact subsumed these duties.

The Committee is formally charged with examining all questions which arise from France's treaty obligations to the European Communities, preparing French government decisions and assuring the execution of these decisions. In addition to these responsibilities, the Secretariat systematically se-

¹⁸Whose full title is the Interministerial Committee on Questions of European Economic Cooperation.

cures the views of involved Ministries and shapes them into a workable position concurring with established lines of policy; it is not a policy-making vehicle, although, of course, its work tends to reinforce and even to add incrementally to policy or to modify it in details. It is here that the actual instructions are written and sent. The staff then assures that every governmental agency's work executes these orders faithfully.

The committee was originally established in 1948 in order to harmonize French government activities in the Organization for European Economic Cooperation (OEEC). Although not used as the intermediary organization for the Schumann Plan (the *Commissariat du Plan* was the preferred instrument), the committee and its Secretariat were available structures for use in regard to the EEC. Perhaps curiously, the mechanism now has little activity in regard to the OEEC's successor, the OECD. It is only active when a special draft law or regulation is under consideration. For instance, problems of Western organization in the wake of oil price hikes did not come within the Secretariat's purview until the proposal that the Committee of Twelve (now sixteen) be attached to the OECD.¹⁹

The three principal divisions of the Secretariat deal with matters relating to the European Economic Community, to the Coal and Steel Community and to the OECD. The first division is the largest and, as to be expected, its internal organization corresponds closely to the competences of the EEC itself. A fourth division assures the liaison of the Secretariat with France's Economic and Social Council and its Commissariat of the Plan as well as with the Communities' Economic and Social Council and the Franco-German economic cooperation organization. A final, small section covers the Secretariat's own administrative needs.

The size of the Secretariat totals less than a hundred, the larger part of which is support staff. The Secretariat does not recruit specialists but limits itself to liaison with the experts of the concerned Ministries. Other personnel may be seconded to the Secretariat or hired especially for certain slots.

The administrative grade officers are limited to approximately twelve young highly-regarded civil servants who come from various Ministries. It is thought that their varied ministerial origins would act to increase the Secretariat's technical ability to handle the myriad technical questions as well as, on a psychological level, to facilitate coordination. The administrative grade officers include at least two Deputy Secretaries General and ten section chiefs. Earlier agreements were made among Ministries and the head of the executing branch regarding the

¹⁹Rather, it fell to the *Délégation Générale de l'Energie*, also attached to the Prime Minister's office.

complement of Ministry representatives. The Finance Ministry then obtained the right to name the Secretary General as well as about three other Inspectors of Finance; the Ministry of Industry names at least three officers from its *corps des mines* (an atavism from the time when the Secretariat was utilized for matters arising in the European Coal and Steel Committee). Other technically trained persons include two *ingénieurs* trained at the school for public works, bridges and highways, auditors from the Council of State and the *Court des Accounts*, a customs official and a representative of the Foreign Affairs Ministry (who, interestingly, is not currently an ENA graduate; see following report on training of foreign affairs personnel).

Procedures

It is principally through regular and ad hoc meeting of representatives of interested ministries that the Secretariat achieves coordination. A representative of the Ministry of Foreign Affairs and one each from two sections of the Ministry of Economics and Finance are regular participants in these meetings which also include representatives from other ministries interested in a particular matter.

Every Friday morning, a division (*direction*) level meeting is held. The Ministry of Foreign Affairs is represented by its Economic Director; the Ministry of Economics and Finance sends both its Treasury Director and the Director for External Economic Relations. Other Ministries usually send their international affairs division head. Positions may be agreed at this level and the chairman, the Secretary General of the Secretariat, charged with writing and sending the resultant instructions. A higher, more politically-sensitive meeting is held regularly on Wednesday morning with the Ministers' personal representatives, the *cabinets ministériels*, attending and with the Secretary General in the chair.

Many problems are dealt with on an ad hoc basis in meetings on various levels of representatives of the Ministries affected by the specific issue. Called and chaired by the appropriate official of the Secretariat, these meetings may lead to a reconciliation of views, a determination of further study by a responsible Ministry or the preparation or the actual writing of instructions. The Secretariat may also initiate meetings in order to get a sense of a problem, its dimensions and, if in doubt, a reading of the Ministries' positions.

A corollary to its task of coordination is arbitration. This normally occurs at the level of the *cabinets ministériels*. Once agreement is reached, instructions may be sent immediately. More sensitive matters or incompletely settled questions may be summarized by the Secretary General and referred to the Elysée, where the arbitrated position may be approved. Al-

ternatively, the Prime Minister's office may settle the question or it may be raised at a Council of Ministers for further discussion.

II. COMMENTARY

The responsibility of the Secretariat is at once narrow and wide-ranging. It undertakes to coordinate only the conduct of French policies in regard to the EC, but the scope of the EC is far from being narrow. In the absence of meetings of the inter-ministerial committee, the task of coordination devolves upon the Secretariat. Its efficacy is due in part to its reputation for efficient and unbiased work as well as to a clear juridical statement of its scope and authority; that is, it is the obligatory reference point for all instructions or documents passed between Paris and its Brussels delegation. Intermediary centralized organs are familiar French structures with their basis in traditional French concepts of centralization. Hence, the Secretariat has a moral authority which acts to minimize its recourse to legal powers stated in the decree creating the Committee.

The disinterestedness and consequent credibility of this administrative organ is engendered by staffing patterns. Top talent is recruited and rewarded after the tour at the Secretariat by being named to responsible posts. Since the permanent staff is deliberately limited in numbers, no career can be made within the organization. "In-house" policies do not tend to develop.

Ministries do not attempt to circumvent it or to bargain among themselves on issues within its purview. In any event, any such bargain would have to be passed through the Secretariat, which might then exercise its right to invite further views or wider collaboration. Conversely, any Ministry which might refuse or neglect to work via the Secretariat would quickly find that its views were excluded from the Secretariat's authoritative instructions to French delegates. At lower levels, all Ministry personnel travelling to Brussels to represent France must have their orders authorized by the Secretariat;²⁰ this acts as a control on the unity of policy voiced for any contradictory statements, which could be isolated and refuted.

Seen from the vantage point of the Brussels delegation, a slight modification to the Secretariat's seemingly perfect performance should be made. It is the case universally for missions established "where the action is" to believe that they have a better reading of the situation than the home offices. The French delegation in Brussels shares this tendency and prefers to conduct business without instructions, either avoiding requests for in-

structions or manipulating them so that instructions received are those the delegation desires.

Again from the viewpoint of the French mission, a moderated view of the vaunted French unity in EC matters can be gained. Contradictory positions may be put forth by French representatives, although much less frequently than German delegates, who may regularly make contradictory declarations on the same matter. Within the mission itself, the ambassador's control is uneven. He himself will meet with other EC permanent representatives when a problem involves third countries. His workload is increased, as he must follow the work done in EC committees by members of his delegation from the agricultural or finance ministries working directly with their EC national counterparts and must reconcile technical and political aspects of problems.

In the past, the Secretariat has been aided in its functions and in its prestige by the frequent practice of its Secretary General also being named as an economic counsellor to the French President. While this is not currently the case, it was true throughout the Pompidou presidency and frequently during de Gaulle's terms. The identification (or fusion) of the two roles could not but emphasize the authority of the Secretary General in his dealings with ministries. He was often in a position to advance policies as well as to execute them. The double assignment worked to enhance the unity of policy. It is still too early in the Giscard d'Estaing presidency to determine the role that the Secretary General will play, but Pompidou's appointee, now wearing the single hat of Secretary General, finds the job "less fascinating" than when he combined the two posts. This synthesis obviously reinforces the ability to align instructions firmly within global positions on trade, finance, and such issues.

In summary, the Secretariat has been able to fulfill its *executive* tasks for several reasons. It works in an area of policy which is critical to France, all European matters being interpreted consistently by succeeding governments as "high politics." So the degree that presidents consider "Europe" their domain and bring the head of the Secretariat into the presidential office, the authority of the Secretariat is enhanced and its role may spread to policy making.

Contributing to the importance of the Secretariat are its clear juridical statement of powers and its attachment to the Prime Minister's office, symbolizing that it is above ministerial quarrels.

RECOMMENDATIONS

This report on economic coordination has highlighted two traits; that coordination is forced on all governmental systems by the nature of international problems, and that coordination has to occur

²⁰Helen Wallace, *National Governments and the European Communities*, (London: Chatham House/PEP, 1973), p. 21.

at appropriate levels of authority if its purposes are to be achieved. Mere institutionalization of coordination is insufficient and may bring its own problems, e.g. *pro forma* consultation, outside ministerial bargains, hesitation to bring real issues to this forum.

From the German experience can be retained the concept of institutionalization on several levels. The wisdom of this can be seen to the degree that such a system prevents too many issues from rising to top levels for handling. Lower levels can be charged with specific functions, information, and decisions on execution of noncontroversial matters. A second higher level could make decisions on more complex matters requiring some interpretation of existent policy. A third level can be charged with thornier problems of interpretation which might entail some modification to existent policy. Where coordination is destined to hammer out a U.S. policy in international negotiations, the appropriate level would be either the second or the third level, depending upon the importance of the problem (i.e. a tin accord as compared with the Tokyo round of trade talks).

Only three levels are proposed for the United States. Bureau heads would represent the first, since they are responsible for a rather specific area. Department Under Secretaries would represent the second level; since they have a perspective of their department's work and views, they have—or can be given—sufficient authority to resolve disputes and to harmonize interpretations of existent policy. The Secretary would represent the third level.

Given the demands upon the time of each of these officers, deputies could regularly replace them and be delegated authority. Also, interdepartmental committees can exist on an issue area and need not normally include the full range of departments.

The French model of the Secretariat for European Economic Questions is not unknown in U.S. practice. It differs from U.S. experience in that it handles permanent substantive matters, whereas U.S. task forces have dealt with a problem or negotiation limited in time. The United States has been wisely known to disband any such organization after the need for it has passed. In this way, in-house policies cannot develop, a problem obviated by the French practice of limiting the numbers of staff and giving the Secretariat a precise, policy-executing role. To underline the authority of the Secretariat—and its limitations, a clear juridical statement has been issued, and political support, at least in the past, has been made evident.

The United States may set up such a unit in view of the Tokyo round of trade talks. Its own and French models can provide guidance. A small permanent staff is difficult to recommend in multilat-

eral instances where U.S. involvement is not permanent and where the penetration of the international organization into domestic realms is not great. The Institute recommends against several such staffs which might be set up outside current departmental structure to handle particular problems, e.g. developing commercial ties with the Soviet Union. Rather, the Institute's proposal, found in Part III, for a revised purpose of the Department of State can subsume major but singular tasks involving interdepartmental coordination.

B. Multilateral Diplomacy

INTRODUCTION (FRANCE)

The overall introduction to the Institute report has pointed out that the growth of multilateral diplomacy, which normally concerns technical matters, has sharpened the problem of coordination within national governments. In order to conduct their EC representation with coherence, the French have developed a specific coordinating device in the form of a small secretariat which is the obligatory point for instructions to the delegation in this intergovernmental forum; see report entitled "Coordinating and Conducting Foreign Economic Policy."

BRITISH REACTION TO INCREASED MULTILATERALISM

Introduction

Britain's experience with multilateral diplomacy in permanent international organizations began in fora such as the United Nations but was radically quickened with EC membership. The effect upon internal British governmental organization has been to widen the number of domestic participants in foreign policy. At the same time, greater cohesion in governing is necessitated. External effects include new burdens being placed on officials as foreign travel has increased and demands for enlargement of foreign posts from home departments which seek more space. Perhaps oddly, bilateral relations seem to be enhanced in this era of multilateral diplomacy.

Expanding Memberships

British involvement in permanent multilateral organizations dates from around the end of World War II, with the successive establishment of the United Nations, the Organization for European Economic Cooperation and, later, the North Atlantic Treaty Organization. Its intensive and continuing participation in multilateral consultations

within an increasing number of organizations, however, dates from around 1960, with the gradual acceptance by the British government that it could not sustain its international commitments nor achieve its foreign policy objectives unaided by collaboration with other friendly governments.

The creation of the Organization for Economic Cooperation and Development, with its various committees and working groups, was paralleled by the creation of a number of European organizations for technological cooperation. Strains upon manpower were created as changes in the NATO alliance structure and moves towards joint procurement sharply increased the number of committees, subcommittees, and working groups during the mid-sixties. A separate Eurogroup, with its parallel structure of working parties and subcommittees, was established in 1969. Entry to the European Communities also involved Britain in the separate multilateral structures for European economic cooperation, each with an extensive substructure of regular and occasional committees. In addition, there are a number of less formal "conferences" linking European ministers of transport and other domestic ministries. By 1974, virtually every ministry in Whitehall was involved in multilateral diplomacy within the framework of one or more international organizations.

Expanding commitments entailed by membership in permanent international organizations have several effects upon internal organization procedures. One is the explosion in communications between Whitehall and overseas capitals within the developed Western world. A substantial training effort for home civil servants has been mounted by the Civil Service College over the past three years, providing instruction in foreign languages, courses on the European Communities and courses on the political and governmental structure of the other European countries with which they now have to deal. Perhaps most important has been the related upsurge of domestic ministries' interest in detailed developments in domestic policy in other countries, an effect which will be dealt with more fully below.

The impact on Whitehall of the vast expansion in international travel by home civil servants has also been significant. In 1973, some hundreds of British officials each week were travelling between London and Brussels on EEC or NATO business. The administration gave serious consideration to the economics of providing its own aircraft rather than relying upon commercial airlines. Other highly-travelled routes are to Paris, Bonn, Amsterdam, Rome, Washington, and so on. During 1973, one in three of the entire administrative-grade staff of the British Treasury travelled abroad on government business. All five of the most senior officials have

been caught up in international travel, one of them spending over a third of his working time out of the country. The consequent strains on the normal working practices of the Treasury were considerable, requiring a substantial adjustment of work loads and work patterns.

Bilateral Diplomacy Enhanced

It has been realized that, paradoxically, involvement in multilateral intergovernmental decision making increases the importance and the complexity of bilateral contacts, rather than displacing them. The British government has learned from the French the importance of bilateral contacts before a major multilateral meeting. In this forum, bargains can be struck and coalitions built in order to increase the government's leverage in influencing the shape of any package which eventually emerges.

Many British officials attribute the success of the French government in EC negotiations compared to its colleagues' to the active attention its delegates pay to preparatory bilateral bargaining, as well as to careful coordination between the ministries involved.

The implication of this relationship of bilateral bargaining to multilateral negotiation is that for effective national policy making, overseas missions need to be very closely integrated into the national machinery. The British delegations to NATO and to the European Communities act in many ways as extensions of the Whitehall machinery. They comment on papers in draft and their members travel back to London regularly. During the negotiations for British entry to the EC, the ambassador in Paris, Sir Christopher Soames, regularly visited London to advise the government on negotiating approaches. In the bargaining which surrounds multilateral decisionmaking, the government which is best advised on the strong and weak points of their partners and on the best way to strike up alliances with groups within other national governments has the best chance of success.

A further implication of this relationship is that when simultaneous negotiations are proceeding in a number of different institutional frameworks along a wide range of issues, effective national coordination becomes even more important. Opportunities may be taken for trade-offs between different sectors.²¹ A concession on agricultural imports, for instance, may be made in return for an agreement on joint procurement.

The British government has not always been en-

²¹Trade-offs may backfire, as in the instance when France tried to persuade the Italian government to accept the SECAM system of color television in return for French support for Italian requests for international economic assistance, but unfavorable publicity beset those efforts.

tirely clear in its attempted bargaining between different sectors of policy. Continued support for the Concorde project, for instance, was argued by some within Whitehall as a necessary *quid pro quo* for French acceptance of the British candidature for EC entry, though without any bankable assurances that one would necessarily imply the other.

A second reason for requiring tighter coordination is the need to prevent different national representatives in different sets of negotiations from supporting contradictory policies as they react to the developing negotiating situation. At one point in early 1974, only some active monitoring in Whitehall prevented the British delegations to the Conference on Security and Cooperation in Europe and to the European Communities from taking up contradictory positions on the regulation of East-West trade. This near error appeared in spite of efforts within both delegations to keep abreast of each other's progress. The need to maintain control and to ensure consistency of policy is yet another source of pressure towards the centralization of foreign policy making in Whitehall.

RELEVANCE TO THE U.S.

British membership in the EC raises the possibility of an international organization making decisions which can potentially embarrass a government and significantly affect national interests. Although the United States is not a member of any organization able to have such effects, an acceleration of current trends may bring the United States closer to this type of involvement. New skills will be required; new manpower will doubtless be necessitated. Presumably, these changes will influence the organization of government, specifically in regard to measures of unifying policy and means.

The United States has before it the experience of other governments both in the influence exerted by multilateralism and the reactions of other governments. These can guide U.S. preparation at present. For example, while bilateral contacts have increased rather than decreased in importance, their context has changed. Therefore, the United States can program itself to form a body of diplomats whose skills go beyond those previously required.

ADDENDUM

INTERDEPARTMENTAL COMMITTEES ²²

Committees from several ministries may be established as the need arises in order to prepare the British position for a one-time international conference, e.g. the U.N. Conference on the Environment

²²The information in this section is based on an unpublished manuscript by William Wallace.

in Stockholm in 1972. Where there is sharp disagreement among ministries, the committees accumulate the functions of resolving conflicts or ordering priorities. For either solitary or permanent international meetings, the interministerial committee structure serves an important fourth function, which gains in importance in permanent, far-reaching international organizations such as the European Communities. That function is to confront domestic considerations and constraints. Treaty obligations may arouse domestic opposition or domestic sources may seek an action which presents certain problems in view of other British goals.

If the committee system performs valuable chores, it is not without cost. A preparation similar to congressional hearings in the United States demands time, time which might have been spent on other responsibilities. Such preparation includes trying to foretell the views which may be presented by other ministries and leads to considerable duplication of work.

Interdepartmental committees are usually at the Under Secretary level, but issues may rise through the Junior Minister level, Cabinet committees and, as a last resort, the Cabinet itself. Participants must have sufficient official authority to protect their ministry's interests or to make agreements.

One "cost" and the question of the level at which committees are convened are linked. As pointed out in the description of principles for ministerial organization in Germany, intra or interministerial agreement on disputed points risks cutting debate off too soon. The British practice differs from the German one in that the committees begin to convene on a higher level than the section level which is salient in German bureaucratic procedures. The establishment of super-ministries, such as the Department of Trade and Industry, may, on the other hand, cloak disagreement within a larger structure and not benefit from airing disagreement in an interministerial meeting.

C. The Management of New Issues—Britain

The expanding range of intergovernmental relations into which the British government has been drawn during the past two decades has highlighted various new issues. Safeguards for nuclear energy installations, collaborative projects for aircraft development, space law, control of seabed mining, and international cooperation on the environment are among the current problems imposing themselves on foreign policy considerations. Few of these are entirely new concerns for government,

but their emergence as issues for international negotiation raises new problems for policy management.

The present Whitehall reorganization to handle technological and related issues stems directly from the hard experience of the 1960s. The Whitehall structure now illustrates governmental appreciation of the need to counterpose industrial needs with political and security interests. Since most new issues overlap the responsibilities of several government departments, the Cabinet Office again assumes the coordinating role. Generally, the FCO has provided the lead and the servicing of negotiating delegations but otherwise has held a privileged or central position. Rather than mixed delegations of diplomats, legal advisors, home civil servants, and technical experts conduct international negotiations. Whitehall coordination is conducted through regular interdepartmental committee structures. The Intelsat negotiations of 1969/70 exemplify this coordination process. The British team included officials from the Post Office and from several domestic ministries with the FCO Under Secretary responsible for scientific and technological questions serving as chairman.

Nuclear energy problems are managed rather well, due in part to their innate importance. Both in its civil and military applications, nuclear energy has been an international concern since World War II. Its political implications are readily apparent. In Britain, high-level decision making, sometimes by the Cabinet itself, has succeeded in reaching balances between considerations of security and finance as well as between the interests of the developing British nuclear industry and those of the foreign policy.

Snags in cooperation among the Whitehall departments and ill-defined objectives hampered initial efforts at technological cooperation. The agreement with the French government to develop Concorde was negotiated and signed by the then Ministry of Aviation, with only minimal reference to the Foreign Office's legal advisors. Two years later, Treasury officials admitted to a parliamentary committee that they did not yet have formal authorization for the project, although expenditures were by then well advanced. The Franco-British agreement in 1965 for the joint development of the Anglo-French Variable Geometry Aircraft (AFVG), the Jaguar, and three helicopter models left loopholes that allowed the French to cancel the AFVG despite British protests, while retaining the other components of what had been intended as a balanced package. The Foreign Office and the Prime Minister were willing to make use of what Mr. Wilson called Britain's "technological trump card" as a political lever to win over French support for British entry into the

European Community. Industrialists, however, approached the question of international cooperation from a different perspective and, by the end of the 1960s, many within the British aircraft industry felt that their interests had been sacrificed for no tangible political purpose.

Negotiating teams have been assembled as a rule from the responsible officials within the ministries concerned, officials who have themselves participated in the prior formulations of government policy. It has not been British practice in these negotiations, or in providing delegations for technical international conferences, to create task forces outside the regular Whitehall structure.

Role of the FCO

The Foreign and Commonwealth Office (FCO) responded by emphasizing the value of its negotiating skills and its familiarity with foreign governments. It also paid increased attention to technical aspects of foreign policy, seeking to develop an in-house capacity for such issues. Now, for example, personnel are actually seconded to industry for a two-year period. Functional departments responsible for the technical aspects of foreign relations have now established a closer liaison with the domestic ministries primarily concerned.

The FCO has an important role in preparing conferences, as in the 1972 U.N. Conference on the Environment. The conference involved representatives of most Whitehall departments, many new to intergovernmental negotiations. Working groups of twelve to twenty persons prepared positions on particular issues, which they carried to an ad hoc committee (up to forty officials) within the DOPC structure. The novelty of the issues to be treated at Stockholm, together with the uncertainty and inexperience of domestic ministries as to how to react to the prospective international regulation, made for some strains among different ministries. It was only after strong pressure from the FCO that the negotiating delegation was reduced below sixty.

For the 1974 U.N. Law of the Sea Conference, a similar procedure governed. However, a reduced number of seething problems in this latter conference reflected the longer experience of the ministries in regard to international cooperation on related maritime and fisheries questions. The preparatory committee included officials from the Ministries of Defense, Agriculture and Fisheries, Industry, Environment and Energy, as well as from the Treasury, Law Officers and the FCO. Whereas until 1970 the FCO had provided the lead in British policy on the U.N. Seabed Committee, preparations for the 1974 conference were coordinated by the Cabinet Office, with two officials from the DOPC Secretariat playing a central role. Although

a supernumerary Assistant Under Secretary recalled from retirement led the delegation, he had no special Secretariat. The staff of the Marine and Transport Department of the FCO was increased only by one to cope with the added burden.

Commentary

By this process of adaptation, the new structure and work patterns of Whitehall can handle new issues without recruiting new staff or fostering new agencies. The implementors of policy are likewise the negotiators. The FCO does not aim to compete for control. While gradually expanding the staff in concerned departments, the FCO maintains a policy of deliberately cutting back on active diplomatic involvement as domestic civil servants gain negotiating experience. The role of the FCO is still chiefly the provision of both political input and negotiating expertise, as in the nuclear centrifuge negotiations with the Dutch and Germans, while the home civil servants contribute technical know-how and familiarity with the domestic industry.

This process of meshing expertise with decision-making aids coordination at home. Critics would, however, argue that it breeds a conservative attitude vis-à-vis international negotiation. The Intel-sat and the Centrifuge negotiations treated complex underlying issues but were relatively limited in scope. These two instances may be regarded from a British point of view as a success, but at successive UNCTAD, Stockholm Environment, or Law of the Sea Conferences, British participation brought no major initiatives. The procedures in Whitehall promote interdepartmental compromises; potentially radical departures in policy take shape as moderate proposals. Defenders of these procedures would argue, to the contrary, that there has been little opportunity for initiatives given Britain's position as a heavily committed country with limited resources. Their advantages in terms of flexibility, their reliance on existing manpower, and their integration of negotiating teams with existing policy and department responsibilities are seen as outweighing the potential cost in terms of reduced powers of innovation and initiative.

D. Budgeting

GENERAL OBSERVATIONS

None of the three countries studied has a comprehensive budget for all activities handled by what might be termed their total foreign affairs community. The idea does not appear to have even been evoked or discussed seriously, and traditional

budgetary processes are followed. Budgets are presented annually in all three countries on a ministerial or agency basis. In France, the "tough" interlocutor is the budget department of the Ministry of Economics and Finance. The Ministry further assures its dominance over all governmental bodies by naming a financial controller to each and requiring his visa before even officially approved expenses may be made. Rigidity is introduced, and the Ministry of Foreign Affairs has found itself upon occasion unable to react to new diplomatic openings.

THE BUDGET AND RESOURCE ALLOCATION PROCESS IN BRITISH FOREIGN POLICY

Introduction

The British Government has not yet developed a satisfactory procedure for assessing and allocating budgetary resources for foreign relations in terms of overall policy priorities. The obstacles to such a development lie partly in the institutional divisions of Whitehall, partly in the continuing weakness of parliamentary control, and partly in a prevailing skepticism about the potential rewards of such an exercise.

In principle, the share of governmental resources devoted to foreign relations is decided in overall terms by the Cabinet, and the distribution of those resources among different programs by the DOPC. In practice, the balance between established expenditure programs is altered only incrementally, except when a major change of policy introduces additional considerations²³ or when the termination of a major military commitment allows a substantial recasting of the defense budget. Defense expenditure itself is the responsibility of a different division of the Treasury from that responsible for overseas aid, information, and representation and reports to a different Under Secretary.

Cool re-examination of expenditure priorities within the non-defense part of the external budget has been inhibited by constant pressure over the past ten years by the Treasury for budgetary cuts. Consequently, there has been a desperate scramble by each agency to defend its budget from further reductions, and this has left little opportunity for discussion on the optimum allocation of scarce resources.

Even in regard to those activities accepted as falling within the "traditional" arena of competence of the Foreign Office, no overall budgetary supervision is enforceable, given certain administrative

²³This occurred in 1972 when the Conservative Government allocated an extra £ 6 million to the information budget in order to promote cultural interchanges with continental Europe in view of British entry into the European Communities.

statutes. The ambivalent relationship between the FCO and the Overseas Development Administration²⁴ has limited FCO oversight of the size or allocation of the aid budget. The Overseas Development Ministry (as it now is) has its own finance division, its own set of priorities, and its own domestic lobby for political support. The BBC (whose External Services are a charge on the foreign budget) and the British Council are similarly autonomous agencies, although subject to overall FCO direction and financial control. The Central Office of Information also operates in its overseas activities more directly as a service agency to the FCO.

There is, thus, no point within Whitehall where the allocation of resources among the different agencies concerned with foreign relations is drawn together. The Central Policy Review Staff, located in the Cabinet Office, has not yet turned its attention to this area. The Treasury lacks the manpower resources to do so, and is inhibited by its internal structure as well. The Treasury division responsible for overseas representation, information, and aid budgets is too small to be able to perform more than a monitoring function and is certainly too small to support longer-term enquiries into the allocation of resources among major programs. Yet the overall size of these expenditure programs is not such as to merit a high priority for re-examination by other sections of the Treasury or the Whitehall machinery. By the end of 1972, for instance, only one "Program Analysis and Review" exercise had been conducted on an external relations program, namely dependent overseas territories. Criteria for assessing the "right" balance for overseas expenditure are crude in the extreme. The Duncan Committee, which reported in 1969, noted that expenditure on overseas information by Britain was higher than that of France or Germany, while cultural spending was lower. The information budget was subsequently reduced, but without a compensating increase in the cultural budget.

The replacement of the old House of Commons Estimates Committee in 1971 by a new Expenditure Committee has to an extent improved parliamentary supervision of expenditure on foreign policy. The new committee was allowed to establish a subcommittee for Defence and External Affairs, and this has produced a number of useful reports. Although its staff of three is a more generous allocation of assistance than has been provided for any other subcommittee, and although the Ministry of Defence has cooperated in the provision of confidential information and even of some forecasts of

future expenditure, the subcommittee has so far paid little attention to the overall allocation of resources between programs. It sees its role as much more limited, investigating the efficiency of specific programs, not questioning the assumptions behind them. Its chairman and several of its members are interested primarily in defense and the armed services, and the committee's report has reflected this.

Since the end of the 1960s, the Treasury presentation of public expenditure forecasts to Parliament has been broken down into programs which include a category for "defense and external relations" with four sub-headings, but these do not attract detailed debate or scrutiny in Parliament.

Cost-Benefit Analysis

The FCO has experimented with cost-benefit analyses of its various programs, although a memorandum presented to the Expenditure Committee of the House of Commons in late 1971 noted that the "studies so far suggest that the possibilities for measurement of this kind are severely limited." Skepticism over the value of such analysis is based upon the difficulty of isolating from the general flow of contacts between Britain and other countries those effects which result directly from government expenditure, as opposed to the private activities of British firms or British citizens. For instance, a study of the relationship between the level of expenditure on trade promotion in foreign countries and the growth of British exports concluded that "it is impossible to make any direct correlation between the cost of commercial representation and the amount of British exports." Stronger doubts are expressed about the validity of such exercises in the fields of aid and culture, although the FCO and the BBC's External Services have made some attempts to examine feedback on the effectiveness of cultural and informational efforts.

Within the last four or five years, the FCO has introduced a regular "Country Assessment" exercise, coinciding with the periodic inspections of overseas missions. These weigh both the scale and the internal balance of British resources expended on relations with particular countries, in terms of the importance and the characteristics of the British interests involved. They include, where relevant, some reference to the balance between defense expenditure and civilian programs. The difficulty of quantifying British interests and British influence limits the degree of exactness achieved, but assessments serve as a valuable focus for discussion on priorities and objectives. Such discussions are conducted within the FCO and are used as the basis for the internal allocation of resources. The Treasury does not, however, participate in these discussions,

²⁴From 1964 to 1970, the latter was a separate ministry and again since February 1974 has been separated from FCO control.

and, as internal papers, their conclusions are not presented to Parliament.

The British Government does not, therefore, approach its external expenditure in terms of an overall budget. Within the limits imposed by financial stringency, however, the FCO has begun in recent years to try to relate expenditure to policy aims more self-consciously than in the past, but its success, however, has so far been limited.

E. Export Promotion

INTRODUCTION

Export promotion by governments in liberal economies must be understood in two contexts: the effect on domestic structures and how external dealings can be organized. Internally, governments encounter problems of whether they have authority in this area, coordination with the private sector, appropriate structures for coordination, and so forth. Externally, governments of liberal economies must find effective ways to conduct their programs in both other liberal and state-run economies.

An initial section will examine certain aspects of the effort of governments to promote exports. A subsequent section looks into the French organization for this activity and comments upon some of the lingering problems unlikely to be dispelled, as well as some minor administrative problems arising from the activity itself. The final section reviews German handling of external trade, particularly with state-run economies.

CONTEXT

Western governments have historically promoted exportation and have employed a variety of means and specialized institutions. As balance-of-payments problems continue to confront the Western nations, it can be expected that they will increasingly resort to the avenue of exports, perhaps with the intention of redressing a trade imbalance or, alternatively, of stimulating the domestic economy. This is likely to continue despite the conflicting pressures for export controls which are likely to grow due to inflationary pressures and the era of shortages rather than of surpluses.

The success of export promotion efforts is dependent upon the competitiveness of the home economy and its structure, as well as the general state of international demand. Further, it is difficult to show that export promotion has more than a marginal impact on a country's international economic situation. Given elements elud-

ing policy makers' control and the methodological difficulty of evaluating alternatives, cost-benefit analysis of national plans for export promotion cannot be rigorous or definitive. Should an upsurge or decline in sales occur, it would be difficult, under these conditions, to show the impact of governmental efforts.²⁵

The overall organization of relations between the public and private sectors in a particular country influences the framework within which a promotional program operates. Domestic groups and governmental officials must agree on the techniques by which it can be achieved. In terms of the government's overall economic and monetary policy, tax incentives or credit terms must be discussed as well as internal or international constraints on such governmental measures, for instance, those affecting EC members.

After consultation with the private sector, intragovernmental coordination, involving varying administrative agencies, must be undertaken. Credit rates and export guarantees, for example, must be harmonized, informational activity must be undertaken, and subsidies to promotional offices budgeted.

FRANCE

Organization

Overall responsibility for harmonizing the various aspects of French promotional programs falls to the External Economic Relations Division (DREE after its initials in French) of the Ministry of Economics and Finance. Its chief executive agency for programs is the French Center for Foreign Trade (CFCE after the initials in French), which has commercial agents throughout France. Other agencies include the French Bank for Foreign Trade and a credit guarantee agency.²⁶ The DREE itself assigns commercial agents widely around the world. Responsible for defining the main orientations of promotional activities, the DREE is the appropriate interlocutor in intragovernmental councils.

The methods used by the CFCE, typical of the arsenal employed by most nations, correspond closely to the internal organization of the agency. Information is received systematically from chambers of commerce throughout France. An advisory council exists to supplement these channels of information. Representatives of professional organizations and of the chambers of commerce meet in

²⁵Military production by the private sector constitutes an exception to the general case.

²⁶While the DREE is concerned with commercial credits, another division of the Ministry of Economics and Finance, the Treasury, is charged with government loans.

this context with officials from French financial institutions and from the technical and economic ministries. Information gathered abroad can, of course, be transmitted through these contacts.

A major division of CFCE deals with trade fairs, technical publicity, organization of related services or transportation, and contacts with overseas agents. In the case of trade fairs, the government subsidizes up to 80% of the cost of exhibiting if the firm does not make enough sales to cover its expenses. Furthermore, this division handles professional training and allots related foreign scholarships.

A special division exists to encourage agricultural exports. A service to process incoming reports from the overseas attachés works in close liaison with the DREE. Another section, not subdivided for trade with state-run economies, constantly reviews juridical rulings concerning international trade in all parts of the world. Also attached to the CFCE is a planning organ, but its work at the macro-analytical level is poorly integrated into the work at the individual firm level for which the CFCE was organized.

In addition to its principal functions of information, promotion, and training, the CFCE also does market surveys at the request of specific companies. These services are paid for by the private exporter at a reduced fee.

Information is both disseminated and collected overseas through the assignment of commercial agents. These agents report to the DREE through embassy channels. Information about possible markets is passed to the CFCE, which can disseminate it among French firms.

The commercial agents are an integral part of the "contact network" deemed necessary to an export program. Yet, like their U.S. counterparts, they may feel that their efforts are poorly integrated into either a coherent national policy framework or the work of the local French missions. Commercial attachés may pursue, with the agreement of an ambassador,²⁷ certain local contracts. But if a visiting official of the Treasury Division of the Ministry of Economics and Finance deems the potential purchaser a poor credit risk, his report can annul his colleagues' efforts. The expansionist purpose of the DREE is often at odds with the Treasury Division's greater conservatism.

²⁷As in most nations' diplomatic organizations, other ministry personnel are formally under the authority of the ambassador who signs off on all messages to Paris. In practice, of course, this formality is seldom invoked and reports are generally sent as written.

This, of course, depends upon the capacity, training, and industry of the ambassador. An energetic and intelligent one should be able to control the substantive issues.

The French Context

France is much more dependent on exports for economic growth and full employment than the United States. Also, while it is not evident that France is more effective than the United States in export promotion, France evidences a much closer relationship between government and private business. Mutual assistance and dependence of these sectors facilitate implementation of policy. For example, the French have increasingly resorted to the technique of government-sponsored trade fairs in new or difficult markets such as the USSR or China. The French not only select participants but also guarantee financial support. Government officials brief businessmen and private as well as governmental banking officials. By a reciprocal commitment, private financial and business institutions inform public authorities of their own foreign dealings.

By assigning primary responsibility to the DREE and its executing agency, the CFCE, France has mobilized the initial instruments for the shared goal of increased external sales. The centralization of administrative responsibility with the DREE lends unity to the diverse aspects of such a program. Yet, centralization by itself does not automatically insure harmonized action. While execution is assigned to the CFCE, it is bolstered in its work by the strength and prestige of the DREE, which is the level at which contacts with other government agencies are undertaken. This organizational hierarchy means that the CFCE itself is not a source of authority, but French experience so far suggests that the distinction between an executive and a conceptual and coordinating level is an efficient one.

GERMAN FOREIGN TRADE

In trade dealings with the socialist bloc, the German government has faced the dilemma of reconciling official encouragement with the working of a liberal domestic economic structure. It has sought to remain in the background, while encouraging domestic interests and by providing basic infrastructure services,²⁸ removing the government from domestic and foreign areas of potential political conflict. Even in relations with industrialized countries, the government plays a discrete role. In many countries, for instance Britain, the information service to the local business community has been transferred from the commercial attaché to the representative of the German chambers of commerce.

²⁸German chambers of commerce established overseas receive government subsidies but separately organize and conduct their activities.

Relations with the Soviet Union

German economic cooperation with the Soviet Union is handled by a Mixed Commission composed of representatives from industry and government. The chairman is the Minister of Economics; in his absence, a leading industrial figure may claim the chairmanship. The industrial delegation in the Commission is drawn from the Federation of German Industries.²⁹ Termed the Eastern Committee of German Industry and Commerce, it represents the four national federations of business.

The full Mixed Commission communicates details of Soviet proposals for projects of economic cooperation to the industrial committee, which in turn notifies its member organizations, their regional and subregional chambers of commerce, and sector federations of industry such as chemical manufacturers and tool-makers. These pass the information to individual firms for supply of the item sought. The firms, for their part, deal directly with the appropriate Soviet agency (which may or may not have an office in Germany). The Soviets would have preferred that the process, described above, also operated in reverse, i.e. with the German federations choosing the firm and placing the order, or the BDI Joint Committee as a whole working out bigger projects. German businessmen refused to institute such a policy, judging it incompatible with the liberal economic system.

The principle of giving fair and unbiased access to the Soviet market is compromised by the fact that industry's representatives on the Mixed Commission have very important business interests. Their own firms tend to take the lion's share of the trade. Nevertheless, smaller specialized firms which are typical within the investment goods sector do profit from the arrangement.

In order to promote German business in the Soviet Union, the Economics Ministry has created an agency which collects information about Soviet and Eastern European economic plans and projects. The Information Agency transmits these data to the four national business federations which carry their suggestions to the sessions of the Mixed Commission. German industry, however, frequently finds it difficult to carry out the broad objectives.

Development Cooperation

A much simpler but similar practice takes place in the field of development cooperation. German aid is in principle generally untied: the government is not involved in placing contracts. The regional (*Länder*) chambers of commerce jointly run an in-

²⁹ *Bundesverband der Deutschen Industrie* (BDI) is similar to the British Confederation of British Industries.

formation and contact service which has representative offices in individual developing countries. The German Ministry of Cooperation subsidizes this service by a straight grant, but these offices are neither legally nor geographically connected with the German embassies.

RELEVANCE TO THE U.S.

While responsive to liberal economics, the French and German governments have found more or less activist intervening roles between private and foreign contacts. The United States might aim for the "low silhouette" of the German solution, encouraging businesses to continue to conduct their own contacts but making it worth their while, as is done in France, to inform the government regularly of the results of the contacts. The disadvantages to small businesses could be mitigated by their participation in the information exchange.

Besides encouraging business, the U.S. government could undertake a more rational organization and hierarchy among U.S. agencies involved with external trade. A reorganization might create pressure from below, forcing top U.S. officials to define the goal of export promotion. Unity in organization would permit smoother implementation of any programs decided. A big governmental program does not seem appropriate.

The problem besetting U.S. commercial attachés abroad is also reflected in the French experience (although the cause is peculiar to the French system of training and assigning these persons). As long as attachés come from other ministries, some problem of integration into the mission can be expected. A determined and aware ambassador can usually mitigate this. An upgrading and clarification of priorities on trade might moderate U.S. officials' current dissatisfaction with their status. More careful recruitment and briefing offer an immediate first step in this direction.

ADDENDUM

BRITAIN

Throughout the interviews in France, dissatisfaction was expressed with the French program of export promotion, and the British "superministry", the Department of Trade and Industry, was cited as a model. Although this example was not further analyzed, the following remarks are germane. The British Organization of Export Promotion was also cited: a centralized Export Intelligence Bureau has been established as the focal point of information flow, and the Trade Development Office and Commercial Department manage promotion.

In reporting export and investment opportuni-

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ties, the Embassy sends copies *directly* to those firms in the U.K. which would be interested. They also service firms by filling orders for foreign professional publications, micro-film, and fiches. Equally important, the commercial and scientific and technical counselors file regular intelligence reports which are published promptly and made available to the public by the Department of Industry. These intelligence reports are said to act as an early warning system and are said to run three to five months ahead of published commercial reporting such as the *New Scientist*.

In return, firms often program foreign visits of their representatives through the embassies, reinforcing the information feedback, and cueing commercial, scientific, and technical attachés to their interests.

F. Training of Foreign Service Personnel

FRANCE

All of the caveats about unintended effects of the shift in policy-making arenas and structures find their reflection in the problem of training foreign affairs personnel. It should be clearly understood that in France as elsewhere there is no single corps charged with foreign policy and receiving a special preparation. Rather, in addition to the Ministry of Foreign Affairs, certain individuals hold posts to which may accrue regularly some part in the conduct of foreign policy. Noteworthy among these are the Secretariat General for the Interministerial Committee charged with affairs of the European Communities, the Bureau of External Economic Relations and the Bureau of the Treasury, both of the Ministry of Economic and Financial Affairs, as well as the Technical Cooperation Ministry. Ministries having one or more sections devoted to ongoing foreign policy questions include agriculture, industry and commerce, national defense, transport, economics and finance (customs), education, and health.

This clarification accepted, we can nevertheless look at the persons filling these positions, examine their professional and educational background, and derive some shared factors. The outstanding factor is a high level of education, invariably, at France's top specialized scientific-technical institutes. One result is that the negotiators have an enviable reputation. The Ecole Nationale d'Administration (ENA), established in 1945, has joined the ranks of traditional producers³⁰ of those men who rotate into the top grades of the civil service where ad-

³⁰Notably, the Ecole Polytechnique, under the Ministry of National Defense (only a few of its graduates make a career in that ministry).

ministrative and policy matters often meet. Some of these graduates do pass later into private industry.

Part I will concentrate on the preparation given at ENA. The criticism that the training and the conception behind such a school has drawn will be reflected in the commentary section, part II. The essence of excellence that the Institute sees in such training forms the basis of recommendations in part III.

I. Training/Curriculum

Entrance is through a competitive examination requiring a prior postgraduate preparation in law and economics as well as general knowledge in such fields as political history, sociology and foreign languages. Nine of ten candidates are eliminated. Since 1973, two entrance examinations corresponding to two programs or "tracks" of study have been offered, and each gives entry to a single program. A similar exam is given for persons who are already in the civil service.

Whether one chooses the general track, with its emphasis on more general training in economics, sociology, and the psychology of organizations, or the economic track with its more penetrating economic analyses, the curriculum is approximately the following. A student spends his first year of ENA in an on-the-job training program. This program generally includes eight months at a *préfecture*. Then, a student has the choice of working for approximately four months either in an embassy, in a hospital, in an overseas French territory, or he may go to Grenoble to complete a course in the fundamentals of law. He then spends approximately three months in the "real world", for instance, working with a business, an advertising agency, a bank, a department store, Air France, or the electrical company, and at least one week is spent as a worker somewhere.

After these assignments, the young ENA student begins a series of courses and a long seminar in the form of a small working group, which collectively produces a paper on an administrative problem. Among the courses that a student must take are international relations (the negotiating process and how accords are arrived at), official texts and documents, accounting or mathematics, computers, foreign languages (students destined for the Ministry of Foreign Affairs must take two languages; others take one language). There are additionally two optional subjects.

A capacity for hard work has been exhibited before entering ENA. During the students' three years, this capacity is further refined, and certain skills are polished. Students learn to synthesize large masses of documents and to produce a succinct, well-written report putting forth the essence

of a problem. They learn to base their case work on decrees; as noted above, the study of official texts is obligatory. During their field experience, students actually enter into negotiations with local agencies. All students, including those aiming for a diplomatic career, must work with urban problems: they may deal with mayors, sanitation departments, etc.

From his admission to ENA, a student is salaried, begins to earn seniority and may profit from all other rights accruing to civil servants. In return for his schooling, he must serve the government for ten years. Upon graduation, he enters the top echelon of civil service posts.³¹

II. Commentary

One important result of the institution of ENA is that all ministries effectively lose control over the recruitment of their top administrators. Ministries submit to ENA annually the number of persons needed, and then the graduates, according to their ranking on accumulative scores, select the post they desire. Most graduates, not surprisingly given their original choice of training in public administration, envisage a career to be led chiefly in France itself. The ministry is slipping below other choices, such as a prefectural career and traditional first-choice *Grands Corps*.³² An ENA Graduate becomes a diplomat in part by chance. Ministries and governmental agencies therefore recruit officials who have almost identical preparation and generally comparable career aims.

The steady arrival in influential posts of ENA graduates has permitted certain patterns to form and has provoked criticism as well as praise.³³ An "old-boy" network is detected by some who praise or condemn it for bypassing traditional bureaucracies. Since other loyalties also exist, this network has not consolidated nor attempted any action in its behalf. The uniformity of training has been charged with leading to a uniformity of views. A more serious complaint concerns the "technocratic" bias to reasoning; students are not psychologically responsible to the French electorate, some say. The very existence of such a school has come under attack

³¹Positions of administrative importance are divided into categories A,B,C and D. Movement between any of them is rare; to accede to A, a government worker would have to attend ENA.

³²Within certain ministries, great prestige accrues to the category A echelon, referred to as *les Grands Corps* (Inspection of Finance, the Council of State and the Court of Accounts are the most highly regarded non-technical ones). Members of these *Corps*, as well as some lesser ones, have high mobility throughout all of French government and often are detached for special missions or to the personal staffs of ministers.

³³The influence of ENA graduates has emerged simultaneous with but originally independent of governmental stability under the Fifth Republic.

for creating an elitist institution with limited access.³⁴

Training is based on more than real administrative problems, but these and actual experience are valued parts of the program. The current director intends to bring the curriculum back to a more classical one. Among the variety of courses have been ones on social problems or multinational companies taught by outstanding scholars.

RECOMMENDATIONS

The Institute's recommendations depart from the assumption that the U.S. government would not wish to establish either an undergraduate or graduate school to train future administrators and that departments would not relinquish control over their recruitment. The Institute, however, retains several points from the ENA system which result in the high quality of morale of the personnel.

Government service is seen as rewarding and is made attractive to some of France's most intelligent and ambitious youths. These well-trained young men and women are permitted to commence their careers in posts of comparative importance rather than merely passing time in lower ranks, filling requirements more applicable to less specifically trained personnel. The scope of their preparation and assignment to posts of responsibility permit France to involve some of her best trained civil servants regularly in foreign affairs, whether as negotiators with other nations or at home in the analysis or execution of policy.

Frenchmen dealing with foreign policy are firmly grounded in the domestic bases of that policy and are sensitive to such ramifications of their work. This, plus their intimate association over the years with the content of policy, gives force to their defense of French interests.

The Institute believes that the U.S. government could create needed courses of high caliber for its civil servants who have achieved or who are entering at an appropriate level of responsibility. The departments would retain not only control over recruitment but, through their separate career paths, designate the people to attend such courses.

The thrust of the courses should deliberately synthesize economic, semi-technical and juridical aspects of problems facing the nation in its international dealings. They should emphasize the full domestic aspects. The courses should deal explic-

³⁴In fact, ENA was intended to democratize entry into the *Grands Corps* and other closed levels of administration. It also established preparatory schools throughout the country to counteract the over-heavy presence of Parisians. Neither measure has greatly changed the social identity of the high administrators.

itly with policies and the sources or rationale of policies. Since policies are never merely "rational", students should be familiarized with informal procedures for processing policy. Taught to responsible young administrators, these courses should not be timid. Specific current problems could serve as case studies and lend immediacy as well as concreteness. The level of the courses should be fairly high; the pace fairly demanding.

Small teams of high administrators who also deal regularly with these matters would be desirable instructors and would themselves benefit from the synthesis of a team presentation. Care should be taken to see that teaching positions are subject to regular turnover in order to keep the course material related to actual concerns.

The U.S. government currently underutilizes the Federal Executive Institute and other centers closer to Washington, which could perhaps expand their services to assure the newly-created courses. Depending upon resolution of personnel problems involved with prolonged absence away from Washington and so forth, courses could be part-time or full-time for intensive periods. The format of the courses could be lectures; certain aspects of the French model, such as field experience, would be less necessary, given the ongoing job experience of the persons selected.

On a more general level, U.S. personnel recruitment for foreign affairs could benefit by some French (and also British) practices. Personnel should be recruited for types of jobs, i.e. administrative, political reporting, economic analysis, for which their training prepares them. The job categories should have distinct criteria for selection, grading, and promotion, and the career paths should be kept separate rather than being amalgamated.

G. White Paper on Defense

GERMANY

The German Ministry of Defense (MOD) publishes a bi-annual³⁵ report on defense questions which represents agreed government policy and prescribes measures for specific defense problems. The full name is "The Security of the Federal Republic of Germany and the Development of the Federal Armed Forces." In the first part of this case study, the formal aspects of the White Paper and its preparation will be described. A second, analytic section ties the paper to its particular German context, while the recommendations abstract from the

³⁵A first, thin White Paper was published in 1969 and a second in 1970. Subsequent issues have been published bi-annually in 1971/72 and 1973/74.

two preceding sections the relevance of the paper to the United States.

I. THE WHITE PAPER

Beginning with a restatement of Germany's allegiance to the North Atlantic Alliance, the report reviews changes in alliance operation and analyzes new international discussions on security or arms control and their relevance, stated briefly, to different elements of German society. The main body of the report discusses the German military, the structure of German defense organization, new concepts of recruitment and training, promotion or career possibilities, and so on. A break-down of the German defense forces is given with an inventory of equipment. A final documentary section reviews the status of prescribed measures announced in previous years.

Functions of the White Paper

The White Paper serves to provide an overall account of German defense policy and to announce future intentions in this area. There are two identifiable functions which the White Paper performs. It informs the public, the federal parliament, and the NATO alliance what the federal government plans to do in defense policy in the next two years, and it contributes to the government's public affairs program by informing its own citizens and others abroad what the government is doing in defense and security policy.

Drafting/Interministerial Coordination

There are four distinct phases to the preparation and acceptance of the White Papers. Drafting and intraministerial approval are done within the MOD, which supervises the last two phases of interministerial approval and Cabinet consideration.

The recently established planning office, attached to the Minister, conceives and writes the first drafts. These are gone over in detail in meetings with the various departments. The staff informs other relevant departments of other ministries generally at this stage.

After the chapters have been composed, they are approved in a meeting of heads of department in MOD, chaired by the Minister himself.

The final text is then sent from MOD to all concerned branches of the government, i.e., the Foreign Office, Finance Ministry, Economics Ministry, Interior Ministry, and the Chancellor's Office. During the time the text is in the hands of these other branches, various suggestions and comments are made. An interministerial meeting

of competent representatives approves the revised text.

The revised text next goes to the Federal Security Council, the Cabinet committee which is responsible for national security policy. The report is discussed at the level of section chiefs and department heads of those ministries which are formal members of the council.

After the Federal Security Council has approved the text, it is presented as a formal proposal to the Cabinet. The Cabinet does not discuss strategic or policy questions but confines its attention to questions involving financial matters, such as officer salaries or pay scales, and also the legal aspects of such financial matters.

Special Features

Probably the single most striking feature of the German White Paper is its chapter on "National Defense and Society," which deals with social-philosophical problems, such as civil-military relations, conscientious objection, and freedom and discipline. Although the last Dutch White Paper on defense had a similar chapter, the German one remains unique in scope. It has also been somewhat controversial within MOD and, during the conference of department heads, was extensively criticized. Some officers in the MOD regarded it as failing to show a sense of commitment; defenders of the chapter point out that it simply describes things as they are, not as they should be.

Future White Papers

Another White Paper is in preparation, due to appear in 1976. It contains a somewhat critical chapter called "20 Years of the Bundeswehr," which will deal with the changes in strategic doctrines which have taken place during the past 20 years and with their real consequences for the Bundeswehr.

Two other new features which are likely to appear are a chapter dealing with the financial-political consequences of past military planning and a chapter dealing with the change of the Bundeswehr's structure from division to brigade, with a detailed look at the new brigade structure. The problem of the Multiple Role Combat Aircraft (MRCA) will be treated extensively.

In addition, it is hoped that the next White Paper will achieve greater readability, without losing its usefulness as a handbook to German defense policy. One suggested way to achieve this goal is to divide the White Paper into two parts: the first dealing with the security policy of the Federal Republic in general, the second providing a documentary overview of this security policy, with charts and ta-

bles. At present, the text of the White Papers intermingles the two aspects of the report, so that the flow of the chapters tends to be impeded and the readers forced to wade through detailed statistical information.

II. COMMENTARY

Although the origins of the White Paper stemmed from a particular political situation and the presence of a strong personality in the Ministry, it has since become a regularized procedure of the German government. With the Social-Democrats taking charge of German defense, it was necessary, in view of their past declarations objecting to the build-up of the Bundeswehr and NATO membership, to issue a clear statement of policies to be pursued. This particular government and the leadership of the social-democratic party have to tell the public and the members within their own party why they are making a security policy that is directed towards defense and détente. These two aspects of German defense policy have to be sold to a domestic audience: the détente aspect to the Bundeswehr, the defense aspects to the left wing SPD members, and the combination of détente and defense to the general public.

A subsidiary purpose was the desire of a new Minister, current Chancellor Helmut Schmidt, to control his bureaucracy by committing it to a unified statement of defense policy. He established a small planning office and assigned it responsibility for the paper. Under activist chairmen, this staff dominated the traditional department heads. Now, however, a career officer is chairman and it is thought that his style will be reflected in the next White Paper.

In the wider framework of defense questions, personality often plays a central role. For example, it has been of importance who chairs the Federal Security Council and who is in charge of the agenda. Formally it is the Chancellor but, in fact, in security affairs it may be the Minister of Defense. Occasionally, difficult questions between the different ministries, especially between the Ministry of Defense, the Foreign Office, and the Chancellor's Office, have been resolved by maneuvering issues onto the Cabinet level first and circumventing the National Security Council as a subordinate committee of the Cabinet. Whereas Brandt was usually willing to leave the chairmanship to the Defense Minister, Schmidt may continue in his capacity as Chancellor to chair the Federal Security Council. This question is important because it is an indicator of who has a better chance to get his views accepted in contested issues, the Ministry of Defense or the Ministry of Foreign Affairs.

The interministerial coordination involved in the production and distribution of the White Paper derives from the view that it is not the job of MOD to justify the Bundeswehr, but rather the entire government must present and defend defense policy. Yet, the paper remains essentially the work of MOD. The ministry does the actual drafting and rewriting, which represents a well-considered consensus. Other ministries' views cannot easily be integrated, especially in view of the short time allotted for their review of the MOD text. The input of the Foreign Office, in particular, is small; for the 1973/74 paper, the Foreign Office had only two days to go through over 400 pages.

Those issues in the White Paper which are addressed not to NATO strategists and members of the German government already committed to current defense policy have required more intense interministerial consultation. For example, the chapter on "National Defense and Society" had to be coordinated closely with the Labor Ministry and the Treasury.

CONCLUSIONS AND RECOMMENDATIONS

The defense White Paper is particularly bound to its domestic political context; yet, some transferable elements can be extracted.

As German national security policy is not so much an issue between the political parties in the Bundestag as within the social-democratic party itself, the White Paper is also addressed to members of the coalition parties. A number of questions which are dealt with in the defense paper, for instance social questions, questions on the education and formation of officers and non-commissioned officers, and questions of conscientious objections, are addressed to critics within the left wing of the social-democratic party. These questions have all been domestic issues within the Federal Republic, especially within the social-democratic party, during the last years preceding the presentation of the White Papers. The results are sometimes rather ambiguous statements since the government has to ward off criticism, on the one hand, that it is furthering a military-industrial complex in the Federal Republic and, on the other, that it neglects the interests of German industry and does not provide enough security for the Federal Republic.

It is interesting to note that consultation on the political party level is perhaps more authentic than the pro forma interministerial process. There are close contacts with the leadership of the three parties represented in the Bundestag before the final version of the paper is drawn up. Little or no consultation is held with the Defense Committee of the Bundestag or the defense committees of the Bundestag party groups. The highly limited time of

circulation of the paper to other ministries prohibits them from studying the paper. Here, as at the cabinet level, changes made to a large and complex document cannot be fundamental. (This realization is, of course, part of the tactic of circulating the paper in this form).

Any "policy-forcing" function of the White Paper would appear dampened with the new set of personalities at the head of the Defense Ministry and as chief of the planning section. The next paper may deal with specific interests of the armed forces instead of with wider questions. Where the White Paper succeeded in raising discussion on the aims and goals of German security policy similar to the national commitments debate in the United States, it could be said to serve a function similar to that of the various hearings of the Senate Foreign Relations Committee and the Committee on Armed Services.

With this understanding of how the paper is written, one could say that when it is presented to the Parliament, it presents the unified position of the government, unlike the U.S. Department of Defense's Annual Report, which is drawn up exclusively within DOD. This not only fragments policy making, but it also isolates DOD as the sponsor of defense policy in contrast to the other branches of the government. The recommendation which follows is clear: the United States should attempt to present a more broadly conceived defense report, which would serve not only to begin to coalesce defense policy within the government as a whole but would take into account domestic critics of U.S. defense spending and the so-called "military-industrial complex."

In order for the paper to gain support from the full governmental apparatus, meaningful consultation on drafts—not completed versions—should be assured with interested departments and agencies. A working group could be assigned to discuss the drafts, which could be referred back to *each* ministry for comment. Reassembled, the working group would now be delegated authority to reach a final version. Sufficient time (several months) should be allotted in order to encourage true participation.

A second recommendation stems from the form of the German White Paper. The United States defense report might benefit by a similar division of the text; one section could present a readable overview of defense and security policy and another contain statistical information, presented in clear tables and charts. A corollary to this recommendation is that the United States defense report pay more attention to graphic design: one of the obvious merits of the German White Paper is its fine graphic design and its lay-out.

ADDENDUM

INTELLIGENCE COORDINATION—Britain

In Britain, coordination of policy between the Foreign Office and the Defense Ministry is achieved by several organizational techniques warranting mention.

a) The provisioning of intelligence is even-handed. The Joint Intelligence Committee ensures that the DM and the FCO receive the same intelligence data base at the same time. This system is said to be regular and rigorous.

b) A single intelligence estimate is worked out within the intelligence community by the JIC: Defense and the FCO do not receive competitive assessments of the intelligence data base.

c) The head of the JIC is a Foreign Office man, not the nominee of an intelligence service.

d) The Cabinet Office coordinates crisis management between the two Ministries. The machinery is said to be excellent and rapid, but problems can arise if a ministry does not avail itself of the machinery.

e) Once the DM or the FCO arrives at its own assessment, dissemination to the other ministry is ensured by the Cabinet Office.

H. Information Policy—Germany

INTRODUCTION

Problems relating to information and communications in the Federal Republic reflect the transition of Germany from defeat to recovery. In the almost 30 years since the Second World War, German information policy has been motivated less and less by the need to expiate and to gain international acceptance.

Instead, with the postwar era behind, the German government is interested more in improving the present functioning of the government and in preparing it for the future. Increasingly, it is concerned with the professionalization and modernization of information work and with the need to elevate the level of German information activities to be on a par with its other diplomatic, economic, and political efforts.

This transition can be documented by examining both organizational and technical aspects of German information policy modernization within the Federal Press and Information Office, the Foreign Ministry, and the Chancellor's Office.

THE PRESS AND INFORMATION OFFICE

In the initial absence of a foreign affairs ministry after the War, the German government established

the Federal Press and Information Office (BPA after the initials in German). The BPA is not a ministry but is a federal agency operating under the direction of the Chancellor. The Chancellor appoints the BPA chief, whose rank is that of a State Secretary. He serves as the government's official spokesman. The head of the BPA participates in many top level policy discussions. For example, he takes part in Cabinet meetings and in daily foreign policy discussions in the Chancellor's Office. Most recently, he participated in the preparatory talks for Chancellor Schmidt's visit to the Soviet Union, as well as accompanying the Chancellor while on this trip.

The BPA has three audiences. First, on a domestic level, it informs the ranking members of the federal government and of the *Bundestag* about important daily events. It also informs the German public about government policy, domestic and foreign, and publishes guidelines about this policy. Second, the BPA's Department of Foreign Information drafts material about German domestic and foreign policy for dissemination to foreign audiences. Third, it sends non-classified information to German missions through the Federal Government Radio.³⁶ This takes two forms. "Green" messages report political speeches, commentaries, and other public data; "Red" messages are comprised almost exclusively of wire service reports.

FOREIGN MINISTRY INFORMATION SECTION

Problems relating to information policy are assigned to two Sections within the Foreign Ministry: the Press Section and the Foreign Information Section. The Press Section, which is under the direct authority of the Foreign Minister, informs the general public about specific problems relating to the work of the foreign ministry. The Section Chief is present at the press conferences given by the government spokesman. He is also responsible for briefing the Foreign Ministry's directors at their daily conferences.

The Foreign Information Section (which is part of the first political department) provides embassies with current information about political developments considered important by the Ministry. There are two services.

The so-called "blue service" is a typewritten message service which provides German embassies with two kinds of reports. The first are reports compiled in the various departments of the foreign office dealing with a broad spectrum of political themes,

³⁶A problem of the Information Radio has been that, because of Germany's geographic location, most shortwave transmissions must be limited to two hours, hardly enough time to transmit the entire text of important speeches, such as those which involve current government policy in international economics.

such as the European Community, Berlin, the GDR representative in Bonn, the meeting of the European Communist parties and so forth. The second kind of reports sent are "think pieces", i.e. long-term perspective analyses which cover major aspects of German foreign relations, such as German-Soviet or German-Chinese affairs. The reports are transmitted by diplomatic courier to the ambassadors abroad, who in turn distribute them to the top political and economic officers in the embassies. They are classified but at the lowest classification.

The second service is called ORTEX, a term standing for "orientation telex" and is a telex information service between the foreign office and the embassies, again sent directly to the ambassador, on an average of three or four times a week. These telex messages are sent according to need and are directed to 60 overseas German missions. Sent by code, they cover ongoing operational aspects of foreign policy. For example, the transcript of the first Kissinger-Genscher meeting in Bad Reichenhall was distributed overseas by means of ORTEX.

COMMENTARY

The magnitude of Germany's information work is so great and its efforts so diffuse that the system can only be described as pluralistic, even fragmented. There are literally hundreds of governmental, semi-official, and commercial organizations engaged in foreign information and cultural services. Even with the attempted centralization within the executive branch of government, the division of labor and responsibilities is not always clear-cut or effective, and the coordination of foreign information does not work perfectly. For example, the BPA is partially dependent on the Foreign Ministry to receive a certain amount of its information input. The coordination procedures themselves show deficiencies, and the process is a time consuming one. Communications between the BPA and foreign missions have to go via the Foreign Ministry in both directions. This can be especially troublesome in cases where the time factor is important. In addition, some coordination is lost because the BPA department head for foreign information no longer takes part in the daily briefings of the department heads of the Foreign Ministry under the guidance of the State Secretary.

Nevertheless, coordination in foreign information policy is being attempted both institutionally and on a personal basis. Traditionally, the head of the BPA's foreign information policy department has been a diplomat. Today, about eight diplomats are delegated to the BPA to work in this department as specialists.

Current practice is that the foreign information

department head of the BPA meets at least twice a month with the section chief of the Foreign Ministry to coordinate, plan, and make decisions about their common work. In addition, the press officer of the Foreign Ministry coordinates his work with that of the BPA regarding any problem connected with foreign affairs.

CONCLUSIONS

The Institute concludes that the administrative procedures to coordinate and modernize the operations of information policy in the German government are still too imprecise to recommend. Moreover, efforts at centralized control of information by the executive tend to raise political questions about the desirability of such centralization in a democracy, questions which could become equally pointed in the United States.

We do recommend, however, that technical procedural innovations in German information handling be considered for use in the U.S. government.

NEW TECHNICAL PROCEDURES IN INFORMATION HANDLING

There are two innovative procedures in German information handling which are in the process of further refinement. The first is the development in the Foreign Ministry of a new short-wave transmitter, developed by the Foreign Ministry together with the German electronics firm Siemens. The purpose of this new transmitter is to stabilize the reception of short-wave broadcasts in other countries and thus enable the Foreign Ministry to expand the scope and range of its overseas communications. Essentially, this transmitter performs a function similar to that of the PAL system in German television, which stabilizes the colors being received.

This new transmitter-receiver system operates by sending each letter twenty times in rapid succession; the receiver can then differentiate between strong and weak signals, and the message is received without interference. The foreign office claims that this new system guarantees almost 100% reception, regardless of weather and solar disturbances.

The second is the establishment of a computerized information system for the collection and distribution of all recordable government activity. Based in the Chancellor's Office, this system provides both that office and other ministries with an overview of all important government measures and documents. It serves to support the planning, direction, and balance of governmental activities and also as a means of increased interministerial cooperation. In addition, it augments already exist-

ing planning facilities within individual ministries and informs members of the government about the complex interdependent nature of policy questions.

The current data system dates back to the period of the Grand Coalition and to proposals made then by a task force on governmental reform. After the social-liberal coalition government was formed, the idea for such a planning apparatus began to be put into practice by an interministerial planning group. Today, it has developed into an effective tool of executive leadership.³⁷

The computerized information system is conducted with the participation of all Federal ministries. Every ministry, including its agencies, is required to report to the Chancellor's Office all its measures and documents as soon as they surface within the ministry, not only bills being prepared but also reports to the Parliament (like the census).³⁸ Each federal ministry, including the Foreign Ministry, has a special division chief responsible for planning and also a technical specialist for the Chancellor's Office's information system.

The reports, submitted to the Chancellor's Office by the 15th day of each month, provide information on the time frame for the projects, their fiscal and environmental aspects, and on certain political data, such as whether they are expected to be controversial. They are submitted by responsible specialists from ministerial departments on a special standardized data information sheet which is then transferred to a computer for storage and later retrieval.

In the current legislative session, altogether 1,710 reports have been recorded on the computers. These include matters which will be dealt with by the Cabinet, the Bundestag or Bundesrat, the organs of the EEC or measures which are otherwise important politically or financially. By the end of this legislative session, the number of reports recorded is expected to reach 2,500.

The information is divided into the following categories: jurisdiction, content description, levels of decision, deadlines, overlapping deadlines, expected problems of parliamentary involvement, evaluation of political reactions, groups of concerned people, environmental effects, effects on prices and on the EEC, domestic financial aspects, and Finance Ministry data which may deviate from given data.

The information print-outs and summaries are

³⁷Such an information system is a service. A computer can only provide a support function for the government; a computer cannot plan.

³⁸The subdivision of the Chancellor's Office responsible for this information system is Section V/3 (Information system, electronic data processing, statistics and prognosis procedures). It is attached to the Planning Office of the Chancellor's Office (Section V).

particularly useful for the heads of ministries and their staffs, for Cabinet staff and other experts who are not just concerned with their own activities but with many. They can receive the information print-outs and summaries on a regular basis from the Chancellor's Office. These serve as a reminder of the multifaceted nature of policy questions and as a check-list for their own planning.

American staff experts in the government who need to keep abreast of the complex interdependencies of foreign policy questions would be aided by the introduction of a similar service.

IV. Summary/Conclusions

Foreign policy making in the three countries studied reflects the evolution toward centralization, which also characterizes U.S. processes. Yet, within the common overall pattern are important differences of procedure. This finding is directly relevant to the study's concern with transferability and guides several of the Institute's recommendations on structures and reorganization for changing functions. Based on its observation of the European systems, the Institute will make supplementary suggestions about devices such as agreed policy statements, which facilitate the work of structures.

In putting forth these ideas, the Institute has tried to look beyond surface comparability, e.g. policy centralization within the four countries. Within a common reaction to similarly experienced events, important differences have been discerned. They have been judged to the extent possible for any inhibitory effect on transferability and for the nature, e.g. systemic or idiosyncratic, of that hindrance. Account has been taken of the fact that, outside their original setting, devices or practices may work differently. Seemingly similar structures may serve various functions or may have one result in one setting and a strikingly different result in another context.

ORGANIZATIONAL CONCEPTS

In the search for practices and techniques which might profitably be transferred from one of the European countries to the United States, the study discovered relatively few *new* organizational concepts or structures. It did reveal a marked European preference for employing existent structures rather than creating new ones for newer tasks. This method has entailed an emphasis on inter-organizational coordination which, in turn, has called for some new structuring (e.g. multi-tiered systems of interministerial coordination). The result has nevertheless been to funnel authority toward the political and administrative apex.

This method of utilizing structure contrasts with

certain U.S. precepts, although the end result is similar. When confronted with new policy demands and relationships, the United States frequently turns to organizational innovations such as the creation of high-level White House coordinating bodies. These are sometimes effective for dealing with urgent issues. The practice, however, increases the number of power centers, and conflict or confusion is engendered at the policy-making center.

In the light of evident deficiencies in the U.S. system, the Institute believes that the European precept of molding existing structures to new tasks can guide the United States as it organizes to meet new demands upon the government. It recommends that the United States government should only sparingly create new agencies or task forces. Rather, the government should improve and strengthen existing institutions such as the current departments or overseas missions and rely on them. It is in the light of European reliance on available organization that the more detailed comments which follow will focus much more heavily on changing functions and responsibilities of current organizational units and improving their performance rather than on creating new ones.

STRUCTURAL ALTERNATIVES

The Permanent Secretary

In virtually all British and German ministries, and in a few French ones including the Foreign Affairs Ministry, a high level career official is charged with extensive administrative and implementation responsibilities. In many instances, he is also charged with creating or deciding policy and may undertake interministerial consultation as well. The duties of the Secretary General (France), State Secretary (Germany), or Permanent Under-Secretary (Britain) are dependent upon a number of factors, among them the Minister's attitude and degree of reliance on the office and the individual personalities in both posts. Since this officer is a high level civil servant chosen from the very top of the career service, a presumption exists that he can play an extremely valuable part in the smooth functioning of his ministry and the government at large.

Observation of the general working of this post leads us to the conclusion that the U.S. policy making and executing process might gain through institutionalization of the bureaucracy's role by the creation of a position occupied by a respected senior official, perhaps called Permanent Secretary, in each of the major departments and agencies. In European practice, this official has often had liaison duties with the national parliaments, a feature which in the past lent some importance to the post. This is less true today and suggests that the utility of the position is inherent in its tasks. If adopted by the U.S. government, this position might provide a network of authoritative officials in each department which could be

charged with joint execution of policy. The network should be given some interagency decisional authority and might evolve into the basic instrument of interagency coordination. It could also provide a partial correction against the tendency of a highly-centralized and politicized government to focus on limited items and then only for sporadic periods of time. The bureaucracy, appropriately led by such officials, could supplement the ability of the political center to study current or evolving issues.

Such a recommendation may seem to fly in the face of the reality that ministries, and therefore those serving in ministries, may decline in importance as policy making becomes more centralized. For example, as France has evolved toward a presidential system, the Secretary General of the Ministry of Foreign Affairs has become less important to the extent that ministers, blocked from above, impinge on his functions. Attributed clear and important functions, such officials could represent a check on excessive centralization and be a useful corrective. The office has additional advantages of creating a focal point in ministries to balance politically appointed ministers, of providing for continuity of policy and practice within a ministry, and of helping to protect the highest echelons of the professional service from undue political and personnel changes.

If such a recommendation is adopted, we would also urge that Permanent Secretaries of departments be largely exempted from testifying before Congress, although they might be called upon for a few regular presentations on broad policy issues. Testimony on details of administration or policy issues could properly come from Assistant Secretaries charged with particular areas.

A Unified Cultural Affairs and Foreign Assistance Organization

The French experience with a unified organization for conducting longer-range cultural and foreign aid programs presents a provocative model for the United States. This seems true even though the programs themselves are conceived differently from U.S. efforts in these areas, since they are heavily oriented toward preservation and extension of French language, culture, and influence. Advantages of the French system include the possibility of isolating a long-term French presence from the more immediate vicissitudes of international politics and diplomatic maneuvering, greater consistency of French programs toward recipients, and administrative efficiencies in supporting two major field operations.

Two principles of operation associated with this combined organization, larger initiative for the individual overseas missions conducting the programs and institutionalized consultation between

donor and recipient, are consonant with the pattern of relying on existing machinery which the Institute discerns in European practices. The increased authority of overseas posts may have the additional advantage of reducing too frequent travel to post by domestic officials. Delegations of authority are possible and do not raise burdensome problems of coordination when there is a clearly understood, overarching policy and where attributions of responsibility are sharply defined. (This observation is valid, of course, across the range of government activities, not just the two programs in question).

BILATERAL RELATIONS

Even in a period of multilateralism, bilateral contacts have been recognized as an important means of achieving national goals in multinational organizations. Extending the practice of relying on standing structures, European governments rely on their overseas missions to follow carefully programs being readied in multilateral frameworks and to pursue national objectives on both a bilateral and a multilateral basis. The embassies are kept informed of domestic considerations in order to appreciate the bases for national policies and to represent them more efficaciously. *The Institute recommends that the United States integrate its diplomatic posts into the national policy-making machinery more directly than is now the case. Reliance upon their particular expertise would aid specifically in conducting harmonized policy in related bilateral and multilateral dealings.*

The perceived importance of the mission abroad is further reflected by the care which Europeans exercise in selecting their ambassadors. Only rarely are ambassadorial posts meted out to non-career men, and in almost all such cases, the reason is the special qualifications of the political appointee. The current American practice of rewarding political campaign contributors, old friends, and defeated political allies with ambassadorial slots downgrades the potential utility of overseas posts in fulfilling policy objectives. *The Institute recommends that the United States government, in recognition of the potential usefulness of its diplomatic missions, should alter drastically its often irresponsible "system" of ambassadorial appointments.*

Additional stability and competence might be obtained if ambassadors with truly professional qualifications came to be the norm, especially if the European practice of ambassadors not automatically submitting resignations upon the election of a new administration were also adopted. Upgrading the role and status of the Deputy Chief of Mission is *not* an adequate substitute for a competent ambassador, although we regard *professional competence at all levels of the mission as essential.*

THE IMPACT OF CHANGING FUNCTIONS

Foreign policy functions are evolving in every industrialized country in response to the changed nature of international interaction, most notably the growing importance of economic, technical, and financial considerations. These expanded functions raise issues of how problems are to be identified and managed and how the many parts of government with stakes in them are to be coordinated. These new conditions require new responses from governmental machinery. This section summarizes our findings about how the countries examined confront these difficult issues.

In one respect, our findings are negative. The Europeans do not seem to have found any notable means of identifying which international problems are likely to require new forms of institutionalized management nor what attribution of responsibility is most rational. New issues in Britain, for example, have admittedly been inadequately defined and incorrectly assigned. Coordination among interested ministries has sometimes been mismanaged. This has been particularly true when responsibility for dealing with a problem was assigned to a specific governmental unit solely on the basis of technical competence or when provision for consultation on financial or political aspects of the problem was insufficient. Typically such problems have been managed and coordinated through the existing Whitehall structure rather than with new task forces.

Coordination Techniques

Currently important policy issues, particularly international economic ones, are complex in nature. Several ministries may have a claim on handling some aspect of a problem, thereby necessitating coordination procedures. The chief European response has been to leave the responsibility with the several competent ministries but to formalize interministerial harmonization. The German model has four levels and assigns significant decisional authority to each; only if reconciliation or agreed positions cannot be reached, the matter is referred to successive levels. *The establishment of an interdepartmental network at the Permanent Secretary level would be a first step towards useful coordination and information exchange in the U.S. system.*

More rarely, as in the case of the French staff charged with managing participation in the European Communities, have new permanent organizations been created to treat complex international issues. In order to avoid the problem of competition among new coordinating bodies, such as occurs in the United States, the powers of new organizations can be clearly defined and limited. France has done this in regard to the European secre-

tariat, assuring that no high staff position is permanent.

Like the United States, the Europeans also employ ad hoc committees, particularly when problems are sporadic. This helps avoid one of the disadvantages of permanent mechanisms which may fail to include necessary participants, especially for new problems where all of their parameters may not be known. At the same time, setting up ad hoc staffs for specific problems outside current departmental structures can create additional problems of government-wide coordination.

Whatever the devices used to coordinate disparate government interests, the very need for it tends to further centralization of the decision-making process. Since no single ministry is competent to assume control by itself, the task is normally assumed by the head of the executive, reinforcing top level primacy. Given interministerial rivalries, a preference may even exist for the authority or arbitration of the political center in preference to that of another ministry. The net effect may be to downplay the impact of the bureaucracy whose expertise may not be fully exploited in the process of consideration required to produce well-informed policy. Interministerial coordination in France proceeds under presidential auspices and is less regularized than in Britain and Germany. This less formalized procedure allows ministers' staffs and personal contacts to become important idiosyncratic elements of the French pattern.

Decline of Ministries of Foreign Affairs

Several case studies illustrate that traditional ministries of foreign affairs have often been surpassed as the appropriate units to take the lead in dealing with the new issues of international relations, although overseas posts continue to provide essential background information and to assure the all-important contacts with local officials and influential persons. Negotiations are conducted more and more frequently by specialists, reflecting both other ministry pressures and the Foreign Office's admission that it cannot deal adequately with the technical aspects of many foreign affairs problems.

In France, the foreign affairs ministry has reacted in a fashion similar to the U.S. Department of State, attempting to incorporate expertise in "shadow" domestic and technical units as a means of handling complex international issues. This duplication typically has not made it competitive in substantive competence or power. On the other hand, the British Foreign and Commonwealth Office has accepted a reduced role in substantive handling of complicated technical issues in exchange for an enhanced role in serving and, generally, leading interministerial delegations to international negotiations.

Personnel policies also reflect acceptance of a more limited role for foreign ministries. The British FCO has not sought to expand into new technical specialities but is training its officers to detect policy within technical arrangements. It seeks thereby to avoid bureaucratic in-fighting among overlapping areas while retaining a place for its own specializations, such as political reporting. In staffing overseas posts, Great Britain has made a greater attempt than the United States to integrate other ministry personnel into the work of embassies. The Foreign Office has, however, resisted pressure for an expanded number of permanent positions abroad for representatives of other ministries, preferring instead to maintain smaller diplomatic missions whose work is supplemented as necessary by visits of specialists from Whitehall.

The British reaction to newer conditions for conducting foreign policy is preferable to the duplication and rivalry of the French and American systems. *The advantage of accepting a more limited role may be better control of "core" foreign affairs activities.* The foreign ministries of the three countries studied have insisted upon (and been able to sustain) control of communications to and from foreign posts (except to the EC). All other ministries and agencies have formally agreed to accept ambassadorial authority at post, an authority underscored by comprehensive ambassadorial control of communications, especially including all intelligence channels. *The Institute believes that a smaller and more policy-oriented Department of State would be more useful if its role were to insure that overall government policy is not composed of contradictory elements and to undertake government-wide coordination.*

Personnel and Training

The spread of responsibility in foreign affairs matters to a number of domestic ministries has implications for the training of the personnel who will carry out the duties. The French educate together the highest level of civil servants who will be charged with domestic concerns and with foreign policy matters whether on a permanent or temporary basis. One extremely valuable aspect of the French model is its grounding of foreign affairs officials in the domestic bases for foreign policy. Another is including preparation in negotiation in course work, which helps to enhance the often noted negotiating excellence of French delegates.

While the Institute does not recommend all of the French model (which has certain serious disadvantages), certain aspects could be adapted to the United States system. *Joint training is one way to enhance integration within the foreign affairs community. Given the current United States organization, State Department officials and personnel from the international bureaus*

of other departments represent a group which could profitably be brought into closer contact, perhaps through more mid-career courses at institutes such as the Federal Executive Institute. Finally, United States personnel recruitment for foreign affairs could benefit by wider adoption of the French and British practice of recruiting individuals for specific types of jobs for which they have already been trained, rather than using a recruitment program emphasizing general skills or potential specializations.

THE IMPORTANCE OF CLEAR POLICY DIRECTION

The Institute recognizes the utility of clear statements of important policies and assessments of the government's resources or capacity to enact them, such as attempted in the German national defense statement. Several advantages stem from a clearly understood overarching policy: coordination is facilitated, rivalries are subordinated, morale is improved as individuals know what purposes their work is serving, and negotiators are strengthened in their bargaining. *Consideration of the production of a government-wide document in fields other than military (e.g. energy, space) is recommended.* Such reports would gain added authority as government-wide policy if drafted by an interdepartmental committee, perhaps at the level of bureau heads or lower. The exercise could come under the general responsibility of officials such as the permanent secretary suggested above thus insuring meaningful inputs from all departments.

CONCLUSION

The case studies reveal that, although there are very few "sure fire" remedies to problems of organization for the conduct of foreign policy in the new and complicated situation facing all nations, the Europeans do use existing structures at home and abroad more effectively in meeting new needs than does the United States. Their attitude toward the selection and training of foreign affairs personnel is more serious and reflects their awareness of the importance in domestic processes of these matters. European governments can therefore rely on normal administrative machinery and organize coordination at intra-bureaucratic levels rather than create new bodies. Their more homogeneous systems result in more effective coordination and more consistent conduct of foreign policy but often at the serious price of a lacking imagination in confront-

ing new problems. *The United States should strive for the strength which can be provided by relying on existing institutions but not at the expense of imaginative problem confrontation. In spite of this apparent dilemma, we believe that the former is possible without giving up the latter, if the creative instincts of the American political system can be given more structure without forcing regimentation.*

V. Annex: About the Interview Sample

The French cases of organization and practices ranged from new structures for coordination to older ones typical of French organization under a parliamentary form of government (i.e. the Ministry of Foreign Affairs' Secretary General). About forty persons, most of whom are either current or former high ranking government officials, were interviewed, as well as an additional number of U.S. diplomatic observers. The French officials have exercised responsibility in all of the areas covered by the case studies. Military figures, journalists and university professors were included in the interview sample in order better to understand decision-making in the French government.

The British researchers carefully questioned thirteen government officials and brought information collected in the course of their previous study on British foreign policy processes up to date. For this earlier study, a larger number of persons had been interviewed. These officials reflected the structures important in British practice and represented the Cabinet Office and the Treasury, as well as the Foreign Office. They now hold positions of responsibility in such established activities as planning, as well as in the newer areas of science, transportation, and similar fields.

Over thirty German officials, parliamentarians, and foreign policy observers were interviewed in Bonn, Paris, and Washington. In recognition of the constraints which coalition government imposes on the conduct of foreign policy, discussions were held with Bundestag representatives of the various parties. Responsible officials from the authoritative centers for foreign policy provided much of the information on the relations among the Chancellor's Office and the Ministries. U.S. officials familiar with German practices were also contacted. The Institute's study profited from prior investigations carried out by its consultants on organization within the German government and on the process of producing the national defense statement.

Appendix S: Advisory Panels

Introduction

Appendix S contains an extensive study prepared by Chester L. Crocker, "The President's External Advisors in Foreign Policy." It explores past usage of several major advisory groups, including the U.S. Advisory Commission on International Education and Cultural Affairs, the General Advisory Committee on Arms Control and Disarmament, and the President's Foreign Intelligence Advisory Board. It also discusses circumstances in which such groups are likely to be successful in the future. The study argues that to be effective, advisory panels need clear and unambiguous mandates, and must respond to genuine Presidential concerns. The paper identifies several foreign policy fields which might benefit from the creation of advisory groups.

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The President's External Advisors in Foreign Policy

Chester A. Crocker
April 1975

SUMMARY

This report is a case study of four public advisory bodies operating at the presidential level in foreign affairs: the President's Foreign Intelligence Advisory Board (PFIAB), the U.S. Advisory Commissions on Information and on International Educational and Cultural Affairs (USACI and USACIECA), and the General Advisory Committee on Arms Control and Disarmament. The study notes the general absence, until quite recently, of public and academic discussion of the role of public advice in the policy process, especially in the foreign policy field. After sketching the emergence of public advisory bodies as a governmental mechanism, it outlines the types of advice that have been provided in various public policy fields, and then attempts to pinpoint those distinctive aspects of foreign policy that may influence the potential of external advisors (Part II).

With these considerations as a general context, the report describes the origins, mandates, and evolution of the four advisory mechanisms selected for more detailed investigation (Parts III-V). It evaluates the performance of these external advisors in relation to their changing mandates and the surrounding bureaucratic political environment in which they operated. The report observes that performance, as measured by degree of effect on policy and level of private access and influence on the president, has varied considerably. The USACI, for example, appears to have had a far more consistent and wide-ranging impact on "its" environment than its counterpart, the USACIECA. The performance of the GAC and the PFIAB has also varied widely from one Administration to another. In general, the report finds that the specific historical circumstances which gave rise to an advisory board are crucial in assessing its record over time. Since the "circumstances" of each Administration differ so

widely, there are recurrent problems of adjustment for advisory bodies in the face of each new Administration.

The study offers a judgment about the effectiveness of each board or commission, attempting to spot the reasons for successful or disappointing performance. An extensive presentation of Conclusions (Part VI) pulls together the evidence from this historical record to provide a checklist of conditions under which presidential public advisors would appear to have the greatest prospects for effectiveness. It shows, for example, that advisors can only have an impact if they are able to engage the president's interest, and it identifies factors which favor or inhibit such engagement. Second, it focuses on a range of functions which public advisors can best perform for the President, and indicates why vague, conflicting, or inappropriate mandates to advisors are so counterproductive. This analysis underscores the importance of recognizing that a presidential board must be permitted to be responsive to presidential concerns, and then questions the wisdom of recent Congressional efforts to regulate external advisory bodies according to norms that may bear little relevance to either foreign policy or presidential advice.

The report concludes by applying the checklist to three foreign policy fields where the comparative advantages of forming an advisory body could be considered: (1) review of the overseas operations of US foreign policy, (2) advice on the coordination and management of foreign economic policy, and (3) advice in identifying emerging issues for foreign policy. As far as existing boards are concerned, the report takes the position that they have played an intermittently useful role, and that their recognized shortcomings owe more to misuse and misconceptions about their proper role than to any inherent flaws in the notion of public advice.

I. INTRODUCTION ¹

Public awareness of the role of the policymaking process in shaping—or distorting—the substantive foreign policy of the nation has increased exponentially in the post World War era. Congress devotes increasing time to questions of organization, structure, and accountability in its foreign policy deliberations. Scholars in the social and administrative sciences dedicate careers—and reputations—to the expansion of knowledge about bureaucratic politics and decision-making systems. The creation of the Commission on the Organization of the Government for the Conduct of Foreign Policy symbolizes the salience of process issues. In general, knowledge and research in this field has focused on such questions as (1) interagency relationships among key departments in foreign policy, (2) patterns of White House leadership and structures for presidential coordination, (3) the role of Congress and public opinion in policymaking, (4) the decision structures inside a single agency or service, and (5) issue-specific policy processes such as strategic weapons decision-making.

Far less attention has been given to the obvious fact that presidents and other key policy figures reflect the broader social environment from which they derive and seek to retain contact with it in a variety of policy relevant ways. Similarly, little attention is paid to the natural tendency of those in private life—ex-officials, leaders in various sectors of private activity, scholars and experts—to seek access and influence with those in high places in the foreign affairs arena. The obstacles to meaningful research about the interface between the “public,” however defined, and foreign policy leaders in government are evident. Many of the most significant relationships between policymakers and private citizens will remain closed to all but future generations of historians. Happily, four categories of official-private relationships are sufficiently formalized to permit coherent analysis: individual consultants, private contractors (e.g. research and management consulting organizations), non-governmental members of official delegations and bodies, and public advisory boards/commissions.²

This report offers considerations on the uses, functions, and limits of public advisory bodies operating at the presidential, or near presidential,

¹This report is based on research and interviews with selected participants and observers, and was prepared in January-February 1975. The author wishes to express his appreciation to those in and out of government service whose helpful contribution made the report possible.

²This categorization is taken from one of the few studies, Chadwick F. Alger, “The External Bureaucracy in United States Foreign Affairs,” *Administrative Science Quarterly*, (June 1962), p. 53.

level on foreign policy matters. It then assesses the record of four of them: the President's Foreign Intelligence Advisory Board, the U.S. Advisory Commission on Information, the U.S. Advisory Commission on International Educational and Cultural Affairs, and the General Advisory Committee on Arms Control and Disarmament. The final section outlines conclusions which could serve as a checklist against which to consider modifications to existing advisory bodies and creation of new ones. Thereby, the report seeks to develop a conceptual basis for answering such questions as: is it desirable to institutionalize the private advisory relationships that the highest levels of government tend to develop, and if so on what basis? On what range of issues and in what bureaucratic and political contexts can formal advisory bodies serve a useful purpose? And, to what extent are external advisory commissions dependent for their efficacy on specific, non-duplicable personal relations between officials and private citizens—and therefore not susceptible to effective formalization as standing bodies in the foreign policymaking system?

The topic is limited in focus. It excludes ad hoc commissions which terminate when their assigned task is completed. It excludes boards, commissions, and committees which are official in character. It further excludes the many public advisory bodies which—though relating to “foreign affairs agencies” such as the Departments of State and Defense—address issues not directly germane to foreign policy *per se*: e.g. State's Panel of Experts on International Athletic Programs or Defense's National Committee for Employer Support of the Guard Reserve.³ Finally, we are dealing primarily with groups that have an effective presidential mandate, as reflected in their legal status and in actual practice. This exclusion eliminates the great majority of public advisory bodies in foreign policy. It need not imply that departmental or sub-departmental policy issues are less important, but simply that the presidential perspective is a distinct one that must be understood in its own terms.

II. PUBLIC ADVICE AND FOREIGN POLICY—SOME CONSIDERATIONS

We know, for example, that a variety of functions are performed by a myriad of outside advisory

³According to 1973 data, the State Department boasts some 58 public advisory bodies, the Defense Department 102. The figures for Commerce, Treasury and other agencies with foreign policy roles are comparably awesome. Few of these groups concern themselves with foreign policy questions in the sense of policy formulation. For a listing, see *Federal Advisory Committees, First Annual Report of the President to the Congress*, Part 5. U.S. Senate Committee on Government Operations (G.P.O. 1974).

and consultative processes, but we have very little understanding about the differential impact and contributions of these groups and individuals. Does it matter whether the outside advisors are located in certain types of institutional settings? Does the size of the advisory structure matter? What are the effects and consequences of competing advisory mechanisms or competing task force experiments?⁴

If presidential advisory systems have received little attention, those that concern foreign policy have received virtually none. Analyses of foreign policy-making tend not to address the question. However, broader investigations of public advisory systems on a variety of public policy issues suggests growing scholarly and Congressional interest—some of which derives from concerns directly pertinent to our subject.

A. THE EMERGENCE OF STANDING PUBLIC ADVISORY BODIES

While some would contend that the earliest instance of public advice to government was President Washington's use of citizen advisors in dealing with the Whiskey Rebellion, the formalization of outside advice to government may have come first with the creation of the National Academy of Sciences in 1863. According to one account, the first standing public advisory body in continuous existence is the National Bureau of Standards Statutory Visiting Committee, created in 1901; the first to concern itself with a foreign policy-related matter was the Committee on Revision of the Foreign Service Examination (established 1931).⁵ By 1939 the number of advisory bodies associated with the Federal Government had reached 82 according to one "incomplete" listing.

The proliferation of groups interfacing between the private and public domain has been attributed to the expansion of governmental functions affecting new groups and interests, the increasingly complex, technical nature of tasks facing the public sector and the concomitant belief of bureaucrats that "it is advantageous for the agency to secure the support of an outside group to interpret the needs of that agency to the Congress, the Bureau of the Budget, the Civil Service Commission, and the public."⁶ Equally pertinent, it would seem were the political power implications of new government endeavors for an increasingly varied array of orga-

nized interests. As the nation itself became more organized along the lines of interest constituencies, the advantages to both sides of formal interfacing structures became clear. Needless to say, this evolution was accompanied by a supporting philosophy of pluralism which legitimizes what one critic has termed "interest group liberalism."⁷

Post-war growth of public advisory groups relating to Federal agencies has been striking: by 1973, 1,439 such bodies could be identified.⁸ Their recognition as an emerging "fifth branch of government" in recent years stimulated growing comment among a handful of legislators, scholars, and various spokesmen for an alternative vision of the public interest—a process culminating in the 1972 Federal Advisory Committee Act (P.L. 92-463, 86 Stat. 770). The Act represents a compromise between two, conflicting schools of thought. Those supportive of the advisory committee principle believed there were ways to strengthen it by eliminating dormant bodies and obliging agencies to take responsibility for the performance of "their" advisors. Those suspicious of the advisory committee principle saw it as a means of privileged, private access to public policy deliberations which required greater regulation and public accountability.

The resulting legislation standardized the administrative guidelines for the "management" of committees by individual agencies and the Office of Management and Budget—including stringent reporting requirements imposed on each agency concerning the operations of "its" committee(s), and a centralized accountability to the Congress for all committees exercised through OMB and the President. It required maintenance of detailed records on committees' proceedings and actions. It mandated official agency representation at all committee meetings and official reports on actions taken or not taken in consequence of committee recommendations. It required periodic public justifications of the need for continuing an advisory body. Most important, the legislation opened advisory committee meetings—as well as all papers prepared for or by such committees—to the public unless exemptions were claimed and justified under the provisions of the Freedom of Information Act. Advance notice of meetings is to be published in the *Federal Register*.⁹

⁷See Theodore Lowi, "The Public Philosophy: Interest Group Liberalism," *American Political Science Review*, March 1967.

⁸Remarks by Senator Lee Metcalf, *Congressional Record*, July 16, 1973, p. S13566.

⁹For the legislative history and an evaluation, see: Richard O. Levine, "The Federal Advisory Committee Act," *Harvard Journal on Legislation*, (Vol. 10: #2, February 1973) and Jonathan Cottin, "Private Access to Government Policymakers Brings Hint of Tighter Legislative Controls," *National Journal Reports*, August 4, 1973. The only committees not covered by the law are those established by the CIA and the Federal Reserve System.

⁴Thomas E. Cronin, "Political Science and Executive Advisory Systems" in Cronin and Sanford D. Greenberg (eds.) *The Presidential Advisory System*, (New York: Harper and Row) 1969, p. 327-8.

⁵Norman N. Gill, "Permanent Advisory Committees in the Federal Government," *The Journal of Politics*, Vol 2 (1940) #4, p. 412.

⁶*Ibid.*, p. 412-413.

Legislative action was a clear sign that the public advisory commission had come of age. It was evidence that abuse of the advisory system had been perceived, if not observed, particularly in the case of the several hundred industry advisory bodies to various federal agencies with an industrial clientele, such as the Commerce, Interior, and Treasury Departments.¹⁰ It is also clear, however, that Congress developed a blunt instrument which takes little account of the wide ranging purposes, functions, and styles of various advisory bodies or of the several different types of advisory groups that have been established over the years. Nor is there any sign that advisory groups dealing with the formation and evaluation of foreign policy *per se* were consciously considered in drawing up the legislation.

B. THE TYPES AND LEVELS OF ADVICE

Several types of advisory groups can be identified which help answer the question of whether, in fact, official sponsors of them seek advice at all or something quite different. The following classification¹¹ is instructive:

- general purpose or "policy" advisory groups.* Such bodies have the broadest and least specific mandates, and are formally tasked with providing counsel on all aspects of the organization(s) they relate to, particularly the *formation of policy* and the *evaluation of performance*. Their members tend to be chosen not only for their knowledge and experience in relevant fields but also for their prestige, credibility, and in some instances their "representativeness."
- scientific, technical, or specialized advisory groups.* These advisors are typically asked for counsel on either specialized/scientific aspects of broader policy issues or policy concerning such specialized/scientific issues. In some cases they may be asked to evaluate on-going programs or develop new ones.¹² Their members are drawn from professional communities providing a resource—legitimized expertise—not otherwise available.
- special clientele advisory groups.* This type of body is established to provide a forum for advice from those interests most directly affected by official actions and policies. Though it may have features of other types, the central feature is its interest—whether this be in the form of

industrial firms or of special purpose lobbies whose *raison d'être* is affected by the officials being advised: environmentalists, minority and women's spokesmen, organized labor, etc.

- specific task and research advisors.* This form of advice has a mandate to make operational decisions concerning such matters as external research programs, grant and scholarship applications, personnel recruitment processes such as examinations—which an agency would prefer to have conducted with external support. It is in practice a sub-group of the second type above.
- inspection, oversight, and visiting boards.* This group includes advisory panels established to provide counsel on specific agency operations, facilities, and internal procedures. The assumption behind their existence is that they will have the mandate not only to advise but to play the role of inspectorate and even, in some cases, of watchdog on behalf of such "public" interests as safety and health standards and avoidance of various illegalities or abuses. In other cases their role is closer to that of an academic visiting board providing counsel, assistance in public relations, and continuity of contact with relevant constituencies.
- study groups and conferences.* Such groups are nearly always terminal and task specific. While their features may be similar to others above, they have their own dynamics which set them apart from standing bodies.¹³

It will be clear from this discussion that the 1400 advisory commissions operating in the federal government in 1973 had little in common apart from nomenclature, and that their mandates, origins, operating requirements, criteria for efficacy, and potential for "abuse" vary considerably. Some advisory groups in the second and fourth categories above may be so integral to the operation of ongoing government programs that the only alternative to having public advisors would be to terminate the programs or hire the experts (assuming they could be hired). In the foreign affairs field, the groups advising the Department of State concerning cultural exchange activities in the various performing arts (e.g. the committees on dance, jazz, academic music, etc.) may fall into this category. Some groups exist because Congress was persuaded that their interests and expertise were so central as to require the establishment of a standing body to provide a public-private interface. Again, in the foreign affairs area, one could cite the advisory bodies created by law to counsel State on fisheries and USIA on its information programs. On the other

¹⁰See Cottin, *op. cit.*, for evidence that such potential abuse was the prime target of Senate sponsors of the legislation, pp. 1140-41.

¹¹Derived in part from David S. Brown, "The Management of Advisory Committees: An Assignment for the '70's," *Public Administration Review* Vol. XXXII (July 1972) #4, pp. 336-38.

¹²On the roles of science advisors, see Harvey Brooks, "The Scientific Advisor," in Cronin and Greenberg (eds.) *op. cit.*, pp. 41-43.

¹³But see Frank Popper, *The President's Commissions*, (New York: Twentieth Century Fund, 1970), p. 5-22.

hand, some general advisory bodies may have such a sweeping mandate on basic policy questions that their efficacy inevitably depends on a host of circumstantial factors—personalities, issues, political climate—not anticipated by the originators of the advising system. The General Advisory Committee on Arms Control and Disarmament would appear to fall into this category.

Advisory groups in government can also be assumed to differ according to the governmental level by which members are appointed, and at which they operate and report. The great majority are set up at the agency or sub-agency level (i.e. bureau, office, division) on the initiative of the agency under its general authority to do so provided by law. Far fewer are established by specific statutory authorization or directive.¹⁴ Fewer still are appointed and operate at the presidential level, whether by statute or executive order.

To grasp the way external advisors actually operate (regardless of formal charters), it is useful to ask how they relate to other (internal) sources of advice, to identify the constraints and opportunities facing the officials they advise, and the extent of interest (and knowledge) in their subject of concern at higher levels of government and in Congress. Sub-agency advisors, to illustrate, will often share with their official counterparts a concern for the visibility and budgetary resources of their field since they may have been selected precisely in order to provide non-bureaucratic allies useful in dealing with other parts of the government, the Congress or the public. Problems between advisors and advised are certain to arise, however, when advisors at this level choose (or are permitted) to become general policy advisors—that is, when they seek not just to perfect on-going policies but to question basic purposes and priorities in the agency. An element of this problem apparently lies behind the State Department's recent termination of its advisory committees on African, European, Latin American, and international organization affairs.

There are several senses in which an advisory body can be considered presidential. The Federal Advisory Committee Act defines the term "presidential advisory committee" as "an advisory committee which advises the President" (Sec. 3, #4), a statement which advances our understanding modestly. Under such a definition, one presumably discovers whether a board is presidential by examining (a) nomenclature, (b) the method of appointment provided by statute or executive order, and (c) the provision for submission of reports and recommen-

¹⁴David S. Brown, "The Public Advisory Board as an Instrument of Government," *Public Administration Review*, Vol. XV (Summer 1955) #3, p. 197.

dations. This can be misleading, however, since there are incentives to continue—rather than modify or terminate—advisory bodies which have long ceased to perform genuinely presidential functions. Of greater importance is whether or not a public advising group has the trust and access in the White House to meet personally with the President or his principal aides and to advise them privately. Similarly, a case could be made that location of the committee and its staff provides an index of a presidential function; location in the President's executive offices, for example, can be taken as a clear indication that an advisory group relates either to the President himself or to one of the sub-institutions of the presidency such as OMB, the Office of Science and Technology, or the Central Intelligence Agency.

A complicating factor in the case of presidential advisory boards is the fact that the presidency is a clearing house for advice. It contains a vast network of cabinet and sub-cabinet level official committees, the personal staff of the President, and the sub-institutions of the presidency (CEA, OMB, OEP, NSC, OST, etc.). Next to this imposing array of *official* advisors whose *raison d'être* is to gain and control access to the top man, the task of *public* advisors appears awesome. They meet irregularly and are frequently composed of a geographically scattered membership. By custom and preference of both officials and board members, such bodies tend to have very small staffs working in support of the principals. Though normally afforded wide mandates and assured access to official papers of all kinds, public boards can be frozen out of key elements of the "paper flow" and held at arms length in other ways by the official presidential staffs. Moreover, given the ability of most presidents to hire any advisors they really want, there are powerful incentives to use public advisory boards for nonadvising purposes: to make gestures for public relations and to demonstrate concern for an issue, to reward supporters, to co-opt potential opposition or deflect Congressional action.

C. SOME "SPECIAL" FEATURES OF FOREIGN POLICY

Foreign policymaking is *focused at the presidential level* to a high degree. Though this may be a transient phenomenon, the post-war experience shows an unusual concentration of presidential interest, initiative, and leadership in the foreign affairs field. Explanations can be found in the Constitution, in the nature of of inter-state relations, in the absence of an effective alternative source of direction, in the multi-dimensional (and hence multi-departmental) features of foreign policy, or in the glamor and the

stakes of foreign policy activity. But whatever the explanation, presidents want "the action," and the center of gravity for advice and decision tends to rise to the highest level whenever big issues of policy are considered. For this reason, the role of personalities and presidential styles is accentuated, producing sharp shifts in role and impact with each new Administration.

A second feature of foreign policy is the *political sensitivity* of various programs and policies among Congress and the public. Examples of foreign policy activities that stirred controversy at the time they were initiated (and in some cases ever since) are information programs, educational and cultural exchange, intelligence and covert action, foreign aid, and disarmament and arms control initiatives. Most of the general advisory committees in the foreign policy field were established at least in part to defuse and mollify the opposition while perhaps also providing checks against those kinds of things most feared by Congress—waste, abuse, and even national security risks. The effect of political sensitivity has been to underscore the multi-purpose nature of such advisory bodies. For the Executive Branch they have been not only a source of advice, but a buffer against criticism or imposed constraints and a platform for championing causes with few other adherents. For the Legislative Branch, they have also served dual roles: a reassurance to the suspicious and an ally to those in favor of particular activities.

Third, foreign policy deliberations pose the issue of *security and confidentiality* in a form distinct from other policy areas. The official drive for confidentiality ("secrecy" to some) has two distinct, but frequently overlapping origins. On the one hand, there is the near universal official urge to limit public access to policy-related information that could be personally or politically embarrassing. On the other hand, there is the stark reality that foreign policy entails dealings with others whose goals and interests may conflict with ours and whose behavior we are presumably seeking to influence. While the degree of security necessary to conduct an effective foreign policy is debatable, it is clear that policymakers—and their public advisors—share the view that confidentiality is essential. This concern leads to an emphasis on the qualities of proven discretion and loyalty to existing policy orientations in selection of board members. Though all officials would presumably prefer advice that is supportive of their policies and programs, the tendency is accentuated in this field, and has the effect of creating an extraordinarily narrow base of recruitment in sensitive policy areas. Despite the caution of officials, it would further appear that there have been security thresholds across which

not even trusted public advisors have been encouraged to wander.¹⁵

A fourth feature of the foreign policy process is the *absence of the sort of clientele or constituency* normally associated with a domestic policy agency. While foreign affairs agencies and leaders may seek communication with and support from various interested publics, there are fewer tangible "vested interests" involved. As international economic policy issues push toward the forefront of foreign policy, this assessment may prove less accurate; but the overall post-war experience suggests that private interest clienteles have played a modest and intermittent role in the policy process, one that is less significant than internal bureaucratic pressures. In the place of such a clientele, foreign policy institutions have drawn on elements of the "foreign affairs community" for membership of public advisory bodies: retired officials, business figures and lawyers with experience or political connections in government, editors and other communicators, scientists and other experts—persons who as a rule are motivated to advise out of a desire for service, influence, prestige, and access to high levels of government. As a result, foreign policy advisory committees could not be described as particularly representatives of—or responsive to—an interested public apart from the community of the informed and influential; nor are they designed to be. In the case of some foreign policy activities, such as information programs, public advisors have assumed the role of advocates for such efforts in the absence of any larger outside constituency.

Fifth, the foreign affairs field is characterized by the *nature and sources of its elite*, both public and official. This high status group is largely confined to a network of persons with backgrounds in public service, the law, the "hard" sciences, industry, and a segment of academia that could be termed the policy intellectuals.¹⁶ The term 'expert' has a special meaning in this community, suggesting not those most knowledgeable about particular foreign areas or problems, but those who have specialized in dealing with them—as practitioners, advisors, consultants or pundits. For the most senior advisory bodies, this feature of the foreign policy elite reinforces the lack of a broader clientele and further narrows the base of recruitment of citizen-members.

¹⁵The reference is to intelligence activities and strategic arms policy. It is not clear, however, whether security concerns or bureaucratic political pressures have played the greater role.

¹⁶See Kenneth P. Adler and Davis Bobrow, "Interests and Influence in Foreign Affairs," *Public Opinion Quarterly*, XX (Spring 1956), pp. 89–101. A discussion of this and other publics in foreign affairs is found in Ernest R. May, "An American Tradition in Foreign Policy: The Role of Public Opinion", in William H. Nelson (ed.) *Theory and Practice in American Politics* (Chicago: University of Chicago Press: 1964) pp. 101–122.

D. POST-WAR ADVISORY COMMITTEES IN FOREIGN POLICY

The foreign policy and national security agencies have established several hundred public advisory boards since World War II¹⁷ that provide some form of advice to their sponsors. If one includes the agencies with a role in foreign economic programs, the list is longer still. A small minority have been given genuine policy advising mandates, and they have experienced an uneven fate at the hands of the advised. Some advisory bodies were abolished when their original functions were no longer required or when their official sponsors were reorganized—as happened in the case of the Public Advisory Boards of the Mutual Security Program and the Economic Cooperation Administration. Some may have proved so useful that they became operational components of the bureaucracy, as in the case of the Presidential Advisory Committee on Energy Supplies and Resources Policy which became a part of the Interior Department in 1961, only to be resurrected in a different form subsequently. Others suffered from a basic incompatibility between the advisors and the advised, a desire on the part of advisors for greater policy impact and official responsiveness than had been intended by the government, or a tendency of certain advisors to utilize their advisory platform for criticism or leaks of policy information. Such factors explain the State Department's decision to do away with four of its regional and functional advisory bodies, not long after passage of the Federal Advisory Committee Act which proved, in this case, to be a "blessing in disguise."

A special case of this process of "falling out" between advisors and advised is former President Nixon's decision to terminate the President's Science Advisory Committee together with the Office of Science and Technology to which it related, in July 1973. Launched with fanfare in April 1951 by President Truman as an integral, but public, part of the Office of Defense Mobilization, it was given still greater prestige and visibility in the post-Sputnik environment when President Eisenhower created the OST and attached the PSAC to it in 1957. Over the years, PSAC's mandate broadened in parallel with that of OST to include participation in review of programs ranging from disarmament and strategic weapons issues to world food issues and the problems of youth. Consisting of some 18 distinguished science figures, PSAC served as a professional interface between OST (the official science advisors) and the public scientific communities who were tapped to provide more specialized panels on particular topics of current importance.

¹⁷See note 3 above.

PSAC's functions, to be sure, included not only the provision of non-bureaucratic expertise and perspectives, but the image of non-governmental participation in public policy. Evaluations of its policy effectiveness vary widely,¹⁸ but it suffices to say that PSAC has been viewed as both a stimulus and an irritant by recent presidents, and that it was suspected of co-opting the allegiance of OST itself at the expense of building solidarity behind governmental preferences. It was therefore not surprising that the 1973 "purges" conducted by the Administration throughout the bureaucracy touched this body of advisors, and virtually eliminated one whole category of policy input at the White House level.¹⁹

But if there have been problems for foreign policy advisors, there are a number of bodies which have proved sufficiently worthwhile to board members and officials to survive. One list prepared by the Library of Congress staff (see Annex II) includes 55 advisory groups, exclusive of subcommittees, selected for further study. Further indication of the uses and limits of these organizations can be gained through a closer look at the evolution of four of them which have operated—in theory or in fact—at the presidential level: the President's Foreign Intelligence Advisory Board, the U.S. Advisory Commission on Information, the U.S. Advisory Commission on International Educational and Cultural Affairs, and the General Advisory Committee on Arms Control and Disarmament.

III. THE PRESIDENT'S FOREIGN INTELLIGENCE ADVISORY BOARD

The 1947 National Security Act included two organizational principles affecting intelligence: the CIA's planned role as a source of coherence and centralized direction for all intelligence agencies, and the CIA's position as a sub-unit of the National Security Council—in effect a unit of the presidency itself. Given this broad discretionary authority, it could be assumed that presidents would react defensively to possible encroachments on executive flexibility or suggestions for greater public airing of highly sensitive intelligence activities. By 1955 there had been some 20 Congressional resolutions calling for an increased measure of legislative oversight of intelligence activities. That year, the Second Hoover Commission (Commission on the Organization of the Executive Branch of the Gov-

¹⁸For a generally sanguine view of science advice, see Harvey Brooks, *op. cit.*, pp. 56-57.

¹⁹See remarks of Edward E. David (former director of OST) at the 1974 Annual Meeting of the American Association for the Advancement of Science, as reported in the *Washington Post*, January 28, 1974.

ernment) published certain unclassified findings of its task force on intelligence, and recommended the establishment of a citizens advisory panel on intelligence to support and counsel the President, and a joint Congressional committee on intelligence with which it could collaborate. The task force itself—as distinguished from the Commission—called for a bipartisan, legislative/public commission to oversee the “organization, functions, policies, and results” of intelligence activities and make periodic reports to the Congress and the President.²⁰ Among the goals of such bodies, the report indicated, were: (a) to allay suspicions and “unjustifiable” attacks generated by the secrecy of intelligence operations; (b) to review operations for efficiency, economy, and effectiveness; (c) to determine whether any activities were “in conflict with the foreign policy aims” of the US and whether the intelligence effort was being “dissipated or adversely affected by assignment of added functions alien to intelligence.”²¹

Shortly after the appearance of the report, while a bill providing for a joint congressional committee was being considered in committee, President Eisenhower moved to create by executive order the President's Board of Consultants on Foreign Intelligence Activities in February 1956. Timing of the move was designed to undercut support for the Mansfield bill, and it succeeded. Congressional interest in having a watchdog group that was not itself a creature of the presidency sputtered inconclusively for the next 18 years.²² As an Executive Branch creation, the new Board would protect presidential flexibility and lessen the risk of compromising highly classified data gathering techniques currently being developed.

There is less certainty about what the Board has been able to accomplish. Its charter—though wording differs slightly in the various executive orders re-establishing it by each incoming president—generally provides a vague, open-ended mandate for review and assessment of intelligence activities and periodic reports to the President advising him on all aspects of the intelligence community.²³ In practice, as a part-time body, the Board has been limited to doing (a) the types and range of tasks that the President, his advisors and the bureaucracy permit it to perform and (b) those tasks it has the time, inclination and capacity to do. Experience has varied considerably.

²⁰ *Report to the Congress, "Intelligence Activities," Commission on the Organization of the Executive Branch of the Government*, June 1955, p. 1-2, 71.

²¹ *Ibid.*, p. 60-62.

²² On the emergence of the board, see Harry H. Ransom, *The Intelligence Establishment*, (Cambridge: Harvard University Press, 1970), p. 166; and Lyman B. Kirkpatrick, *The US Intelligence Community*, (New York: Hill and Wang, 1973), pp. 34 ff and 50 ff.

²³ See, for instance, Exec. Order 11460 of March 20, 1969.

Born of mixed motives, and led in its first years by the man who became the President's science advisor less than two years later (James B. Killian, President of M.I.T.), the Board under Eisenhower was not expected to perform a watchdog role, but to help deal with serious organizational problems in intelligence and to improve the quality of intelligence produced. Typical of its role in this period was its strong support for the highly successful U-2 development program. President Kennedy abolished the Board—like so many of the other structures he inherited in foreign policy—only to reestablish it again immediately following the Bay of Pigs fiasco, renaming it the President's Foreign Intelligence Advisory Board (PFIAB).

Kennedy's action may also have flowed from defensive instincts, but participant accounts indicate that he perceived a need to defend himself against further political damage which could result from “intelligence failures”—rather than from legislative encroachments on his authority.²⁴ The reincarnation of PFIAB occurred in conjunction with the appointment of a new Director of Central Intelligence and the formation of a high-level panel headed by Robert Kennedy to review reasons for the Cuban failure.

PFIAB thus re-emerged in an atmosphere of management crisis in the intelligence field; its role was buttressed by the President's personal interest in improvements and by his recruitment of close and trusted advisors to man the Board such as Clark Clifford who succeeded to Board chairmanship in 1963. During the Kennedy-Johnson period, PFIAB played a role in four fields: (a) coping with management problems such as the perennial issue of coordination within the Defense Department and the intelligence community as a whole; (b) promoting intelligence collection programs utilizing newly available technologies for photo reconnaissance and communications interception; (c) conducting postmortems of intelligence assessments in an effort to determine reasons for success or failure; and (d) overseas visits by Board members on a regular basis to inspect and assess for the President the value of “human intelligence” and the relations between intelligence and diplomatic perspectives. The Board unquestionably depended for its impact upon ties of trust and support between the President and its chairman, and upon presidential interest in it as an instrument for strengthening intelligence and averting damaging failures. During Clifford's tenure for example (1963-68), the Board appears to have had much of the access to the President that it needed, as well as the White House leverage that would assure the availability of papers and the responsiveness of persons in the bureau-

²⁴ See Arthur Schlesinger, Jr., *A Thousand Days* (Boston: Houghton Mifflin, 1965), p. 276.

cracy. During the Johnson years, however, the Board was the subject of less intense presidential concern, being yet another inherited instrument of policy.

The role of PFIAB during the Nixon presidency reflects both the style and personalities of the time. The President did not appoint his own chairman of PFIAB until nearly a year and one-half after his inauguration—by which time the White House's National Security Council structure and staff were firmly in place. Such bureaucratic disadvantages were not dissimilar to those facing other established institutions in foreign policy which found themselves in varying degrees pre-empted or "cut out" by the NSC system. Nor did the new chairman, Admiral (ret.) George W. Anderson, enjoy the same type of personal relationship with the President as had been enjoyed by Clifford.

To be sure, the President indicated he had high expectations of the Board, and he urged it to tackle a range of complex issues in arms control and strategic systems. But there was little presidential follow-up in support of the Board which was obliged to function in partial isolation from inner White House policy councils. Meetings with the President and his Assistant, Henry Kissinger, were irregular and appointments slipped. Board members did not always obtain the access to people and policy papers that they wanted; their action papers were "layered" by working levels in the NSC staff. Some of the assignments given the Board showed little understanding of the strengths and limits of what one observer termed a "part-time, high-level, low pressure" advisory body.

Despite such formidable obstacles, the PFIAB continued to perform useful tasks in several areas. It can claim major credit for relatively early recognition of the importance of economic intelligence in the foreign policy process, and for pushing effectively to reverse the low priority attached to this field.²⁵ In response to persistent complaint from intelligence consumers about the format and focus of intelligence estimates, the Board pushed with some effect to improve the presentation of intelligence community views, getting away from turgidly worded bureaucratic "waffles" over divisive issues. It urged clearer identification of differences of opinion in the intelligence community and more attention to assessing factors of the greatest policy significance. The Board continued to play its role of conducting postmortems of perceived intelligence "failures" such as the under-estimation of the key importance of Sihanoukville in North Vietnamese

²⁵This shift in emphasis implied new methods as well as new priorities, since the sources and consumers of economic intelligence differ from traditional varieties. It should be noted that the membership of two economists—Leo Cherne and George Shultz—appears to confirm the Board's competence to address this field.

logistics prior to the Cambodian events of 1970, and the heavy US reliance on faulty Israeli estimates of Arab intentions in the fall of 1973. In the field of intelligence collection, the Board has continued to serve as an effective advocate of high technology systems—to the annoyance and delight of different parts of the intelligence bureaucracy. At the same time, Board members continued the practice of on-site inspection of various "human intelligence" issues overseas, and it has sought to emphasize the continuing role for the latter, regardless of new technologies.

The PFIAB's balance sheet, then, is a mixed one. It has clearly not performed—and has not been given—the watchdog and legitimizing roles recommended by the Second Hoover Commission. Apart from the early Kennedy period, presidents have not looked to it to "police" the intelligence community or serve as its inspector general. Recent presidents have explicitly rejected a public relations role for the Board, a preference that is in apparent harmony with the Board's own preference for a low profile. Accordingly, the Board has confined itself to serving as a stimulus and gadfly on both substantive intelligence matters and organizational/procedural questions. It has focused on improving capabilities and strengthening the intelligence product. The Board's performance has been both useful and disappointing, though not as disappointing as is implied by some of the intelligence community's critics.²⁶ What accounts for the mixed record?

First, as is so common with high level policy advisors, PFIAB's mandate has been both limited and vague. Only intermittently have presidents considered what it is realistically capable of doing and, just as important, best capable of doing. Presidential charters have encouraged a free-wheeling open-endedness on the Board's part that is inconsistent with what a senior level part-time organization can actually do. As a result, PFIAB has at times spread itself too thin, missing some of the bigger issues in intelligence while performing other functions that can be (and sometimes are) performed within the official bureaucracy. The Board may simply be incapable of carrying out some of the several functions it has attempted, especially those that entail exhaustive and independent intelligence assessments of its own. After much experience, the Board's traditional postmortem role is gradually becoming established within the bureaucracy; the Board's logical role is thus to assure that such assessments are taken seriously, not to conduct their own version. On the other hand, PFIAB has not, in recent years, been encouraged to provide advice on basic management and policy questions for which it would be best equipped. Defining itself as "non-opera-

²⁶Victor Marchetti and John D. Marks, *The CIA and the Cult of Intelligence*, (New York: Knopf, 1974), p. 334-35.

tional," it has had little if anything to do with weighing clandestine operations or the policy parameters governing them—even in retrospect. It has not chosen (or been encouraged) to address those policy issues which are most politically sensitive where public advisors could be of the greatest benefit to presidents by challenging bureaucratic perspectives. The board's relationship with the intelligence community has been one of getting such information as it requests; it has not been kept abreast of key policy matters on a continuous, automatic basis. Similarly, PFIAB has not consistently had the interest or leverage to address questions of management such as the community's troubled personnel situation or problems of coordination and basic organization.

Second, as the foregoing implies, the structure and composition of PFIAB limit its role and suggest the need for modifications in either its structure or its mandate. Composed of some 12 senior figures, the group is supported by a staff of two professionals. It meets about six times a year for 1 and ½ to 2 days—a reasonably heavy schedule by public advisory committee standards. Its chairman maintains an office in the Executive Office Building where he may spend from one-third to one-half of his time—again, a high standard compared with other advisory bodies. Thus, the part-time service of members and the minimal staff virtually require that PFIAB confine itself to examining the big issues of policy and that it receive the active cooperation of all concerned in doing so. But, in practice, the kinds of members chosen have encouraged greater interest in tactics and techniques for improving and increasing the production of intelligence than in examining how to help the President run the intelligence machinery or make choices about what it should be used for. The temptation to use the Board for making essentially political appointments has not been resisted by some presidents—a factor which is all the more unfortunate in light of the fact that most members are highly dedicated and talented citizens with a real contribution to make.

Third, the PFIAB has been hindered in its operations by sharply differing presidential interests and a lack of continuity in priorities—except for that continuity provided by several Board members who have seen some 15 years of service. Board chairmen, who together with the executive secretary play the major part in determining how the Board functions, have included three military officers, one scientist, and one close political advisor. Each chairman has had different degrees of access to the President, and this personal relationship has shaped the nature of the actual mandate available to the Board. PFIAB, like other presidential institutions, can be seen as a vessel waiting to be given

content by each incoming president. Thus PFIAB's performance can be interpreted as a reflection of the President's performance in his responsibility as the chief executive officer for intelligence.

IV. THE U.S. ADVISORY COMMISSIONS ON INFORMATION AND ON INTERNATIONAL EDUCATIONAL AND CULTURAL AFFAIRS

When the United States launched upon its first major peacetime programs of public and cultural diplomacy, it did so with some trepidation rooted in concern that they were something new and perhaps subversive or 'un-American'. Accordingly, the Information and Educational Exchange Act of 1948 (PL 80-402; 22 U.S.C. 1466) which launched these programs also provided for the establishment by statute of two public advisory commissions to advise the Secretary of State and the Congress on policies and programs falling under the authority of the Act. Commission members were to be presidentially appointed, confirmed by the Senate, selected on a bi-partisan basis to represent the "public interest", and drawn from cross-sections of specified groups. In the case of the US Advisory Commission on Information (USACI), members were to be drawn from public service, business, and the professions; in the case of the US Advisory Commission on Educational Exchange (as it was then called), members would be drawn from the same groups plus persons with education, cultural, scientific and technical backgrounds. Members were to be appointed for three years. A central part of the mandate of each commission was the obligation to report periodically to the Congress on "all programs and activities . . . including appraisals, where feasible, as to effectiveness of the several programs" and on recommendations made by it to the Secretary of State.

Despite phrases about representing the "public interest" in these programs, it would have been more accurate to speak about public ignorance or, worse, distrust. By creating two public commissions, the Act sought to meet and compromise the interests of the executive branch and of those legislators sponsoring it. From the Congressional viewpoint, the commissions would help legitimize these operations while at the same time providing a check on them. From the executive branch perspective, public commissions served the primary purpose of helping to sell the programs in Congress and in public and to build public constituencies where none had previously existed. Finally, as the membership provisions suggest, there was a desire to make non-governmental experts in various fields

available to the government in hopes of sharing insights and building possibly useful bridges in support of them.

Thus, the motives behind the two commissions were mixed. They would protect the public interest through general oversight and bi-partisan balancing. They would help push the new programs by building support and compensation in part for the effects of the prohibition in the Act against any domestic public information programs. They would, finally, provide expert opinion. General policy advice as such does not appear to have been uppermost in minds of the day.²⁷ Over the intervening years, the performance of the two groups has measured up to at least some of these objectives, while developing unanticipated roles and sharp differences in relative impact that would not be apparent from their twin birth in the 1948 legislation. As with the PFIAB, the record provides a basis for generalization about the utility of public advisors and particularly those which are designed to be "presidential".

From their first published reports in 1949, the Commissions on Information and Educational Exchange have taken their *public reporting* role seriously—far more seriously, it would seem, than most congressional recipients of the reports. One can hypothesize that the profusion of periodic reports on both programs was the logical result of decisions to appoint commission members who placed a high value on communication—largely editors, broadcasters, advertizers, and scholars in the case of USACI and university presidents and professors in the case of the USACEE. Reports, of course, were required by statute. But they were also one of the few available instruments for gaining public and especially congressional awareness of the perceived importance of these new policy instruments. If the legislative side worried about 'un-American' activities and influence, the government and the commissions were equally worried about the threat of budgetary neglect. Reports were to become the major instrument for lobbying as well as advising.

But reports to the Congress served other purposes as well. First, they have provided a solid, if admittedly partisan, basis of public information about what the federal government and its watchdogs were doing.²⁸ Like corporate annual reports, officially-sponsored ones have only as much integrity as their authors. But the requirement to publicly justify, explain and recommend imposes a discipline on both advisors and officials which is seldom appreciated by the architects and critics of

government institutions. Moreover, a case can be made that the provision of information to the public—even when it downplays problems and weaknesses, which has been less true of these reports than some others—is an inherently worthwhile service in an obscure policy field. Second, the function of public reporting gave the advisory commissions a very different bureaucratic political environment from that experienced by strictly private presidential advisors such as PFIAB. The ability to publish raises obvious political issues: what attitude will the advisors take to on-going programs? Who, if anyone, will "clear" their descriptions, comments and recommendations? How much leverage should they be given in the form of staffing and access to information? How will the various interests of the Congress, the President, and the bureaucracy be served by their public commentary? When this *potential* room for maneuver is combined with Congress' *potential* ability to influence the membership selection process, the importance of the reporting function is confirmed.

Throughout their existence, the commissions have devoted substantial portions of their limited working time to the drafting, consideration, and redrafting of reports. But, in practice, their interest in using the reports and other devices as a form of organizational leverage has varied. In the early years, it was clear that such bodies could also function as levers or "captive" lobbyists for the government—one of the roles for which they were, after all, intended. Commission reports were cleared for publication by the sponsoring divisions of the State Department on a routine basis. The commissions themselves had only minimal secretarial support. Despite an early assessment claiming that the USACI's recommendations had "generally been followed . . . [and had] unquestionably increased the effectiveness of the entire program,"²⁹ there is little evidence that its members sought, or were able to seek, an independent advisory role vis a vis the Department or the White House. This can perhaps be explained in terms of a domestic and international climate which encouraged a closing of ranks. Thus, in response to charges of incompetence in the Voice of America by members of Senator Joseph McCarthy's staff, the Department looked to the Commission to appoint a study group which duly reported findings supportive of the government.³⁰ Other factors explaining relative docility in the early years were the commission members' strong desire to support these still fledgling programs, and the fact that both programs were securely controlled

²⁷John W. Henderson, *The USIA*. (New York: Praeger, 1969), p. 221.

²⁸The book by John Henderson (*op. cit.*) provides evidence that it is possible to write a respectable volume drawn substantially from information in the reports.

²⁹Edward W. Barrett, *Truth is our Weapon*, (New York: Funk and Wagnalls, 1953), p. 59.

³⁰*Ibid.*, p. 124.

by a State Department which itself had ambivalent attitudes toward them.

The information and educational/cultural exchange programs have been repeatedly reviewed and reformed, and this has had repercussions on the performance and interrelations of the two advisory commissions. The Eisenhower reorganization of 1953—in which the USACI played a role—resulted in the creation of USIA as an autonomous agency, while it continued a confusing division of responsibility for the management of cultural programs. The USACI mandate was broadened at the expense of the USACEE in certain overseas cultural programs, only to be followed in 1954 by the creation of yet another body—the US Advisory Committee on the Arts—to advise the Secretary of State on arts programs abroad. To help iron out jurisdictional problems, the commissions met jointly for a period in 1954–55, but the USACEE was gradually confined to the field of exchanges. In terms of its mandate and the extent of high level interest in its activities, the exchanges commission clearly had less opportunity for impact, and it remained to some degree the captive of the State Department which controlled “its” programs.

The USACI did not share the same experience, after the establishment of USIA. Commissioners, who had grown somewhat impatient with official control of their activities, canvassed opinion in Congress concerning the utility of continuing the Commission. They were urged to stay in business. The Commission hired its first professional staff director to provide greater support of the group, and in 1955 it approved its own “Rules and Regulations” whose thrust was towards an enlarged role and greater independence. Though the Commission was still funded through a line item in the USIA budget, the Rules called for various symbolic steps to emphasize its own identity and spelled out the full range of its powers including the right to testify and maintain independent contact with the Congress and to maintain a fully autonomous staff. Its mandate was described as covering every aspect of USIA programs, goals, methods, and organizational issues. Not spelled out but equally significant, the Commission has resisted any suggestion of USIA clearance of its public reports—an action which on more than one occasion has led to public replies by the USIA Director in the pages of the reports to Congress.

Observers and participants concur that the USACI has been one of the most effective advisory bodies in foreign affairs in the years since the mid-1950s. Its public reports have contained sharp criticisms of both Congressional actions deemed damaging to USIA efforts and of Agency actions, or the lack thereof. Its members and staff have developed an ability to play a delicate balancing act between

the Agency, the White House, and the Congress in order to retain credibility while at the same time maintaining confidence. Though its meetings have fluctuated until recently³¹ between 6 and 12 per year, it has been able to perform privately as well as publicly—meeting as individuals or in a group with the President, attending internal Agency meetings, dialoguing on Capitol Hill, and preparing periodic “informal” reports to the Director, USIA. The USACI has focused with effect on a number of the items in its charter. It has played an informal inspectorate role in assessing various media programs for use overseas and through visits by members to overseas facilities and missions. Its offices have served as a funnel through which internal USIA issues can be aired. Members or the staff director have testified before Congress on the Commission’s recommendations, providing further opportunity for it to demonstrate its autonomy. The Commission is credited with having affected USIA personnel decisions up to the Director level and with influencing the content of various programs and the degrees of emphasis given different regions.

Most observers have agreed that the Commission has been worth the \$50–75,000 per year it has cost. The keys to its relative success would appear to lie in two areas. First, presidents since the early 1950s have taken it seriously enough to appoint members—and especially chairmen—who were not only vigorous and prominent figures, but figures who were politically close to them. Under each administration from Eisenhower on, there have been persons on the Commission who could presume to have access to the President on personal/political grounds. Thus, the USACI has not had to rely solely on the inherent interest of a given president in USIA programs for its effectiveness. Such access exists both in its actual use and in its presumed availability to provide a special form of leverage not otherwise possessed by part-time advisors, no matter how prominent. While the President cannot “stack” the Commission immediately upon assuming office, the staggered terms of its members assure that he can appoint one new member (and hence, the chairman) within a year of taking office. Since the less well connected members have no comparable source of influence, this further assures that the Commission will look to him for its role and that he can consider it responsive to his basic purposes, if not always in agreement about specifics. However, though the USACI possesses this *potential* leverage, its realization depends—as in the case of intelligence advising—on the President’s actual interest

³¹The number of meetings declined to 3 in 1974, apparently because of the Commission’s conviction that it could not function effectively once it was obliged to open meetings to the public under the Federal Advisory Committee Act.

in the information program. This, of course, has varied.

Second, the relative success of the USACI lies in its ability to develop a measure of independence and, hence, a margin of maneuver between Congress, the White House and USIA itself. It is difficult to see how this autonomy could have developed without USIA's own autonomy from the Department of State: since both the Agency and the Commission exist independently of whatever role State might prefer to assign to them, the Commission is able to seek support for its efforts in Congress and the White House without directly opposing a larger "sponsor" agency. Equally important, the Commission's relative independence of USIA itself—it writes its own reports, sets its own agenda, runs its own staff, and conducts its own modest Congressional and White House relations—prevents it from becoming the "captive" of USIA.

The Mutual Educational and Cultural Exchange Act of 1961 (Fulbright-Hays)³² gave new recognition to this policy area, creating a separate Bureau of Educational and Cultural Affairs (CU) within State, and renaming the advisory body the US Advisory Commission on International Educational and Cultural Affairs. The new legislation provided for presidential appointment of nine (instead of five) members on a bi-partisan basis, and specified that it would "formulate and recommend to the President" policies for carrying out his authority under the law. Its reporting function was continued from prior legislation, but it was given the additional tasks of preparing a study on the effectiveness of past programs and of making "reports to the public in the US and abroad to develop better understanding of and support for the programs. . . ."

Despite the new references to presidential advising in the statute, the USACIECA was clearly designed to be the public champion of CU's programs. Known initially as the Gardner Commission for its first chairman (John W. Gardner), the Commission became more active on the public relations front. Its 1963 study—*A Beacon of Hope—The Exchange of Persons Program*³³—constitutes a ringing endorsement of the program's goals of increasing mutual understanding and dispelling misconceptions between peoples. The Commission also initiated a periodical (*Exchange*) covering on-going programs and issues whose audience (some 10,000 subscribers currently) consists of US and foreign educators and administrators, university foreign student advisors, and the like. The advocate and champion role has taken priority from the outset.³⁴

³²P.L. 87-256; 75 Stat. 532; 22 USC, 2456.

³³USACIECA, (Washington: GPO, 1963).

³⁴At its first meeting under the new law, Rep. Wayne Hays is reported to have told the Commission, "this law is intended to give all possible authority needed to develop this field ade-

But the USACIECA has not developed the comprehensive and independent advisory role of the USACI, nor the degree of presidential orientation. Known throughout the bureaucracy as "CU's Commission," it in practice relates primarily to a Bureau within State. The bureaucratic context has thus limited its autonomy, as confirmed by its recently revised Charter (December 23, 1974) providing that it reports to the President through the Secretary of State. The Commission's reports and its periodical (*Exchange*) are prepared by staff members reporting to the Commission; however, these organs are recognized to raise "sensitive" policy issues for CU, and there has developed a practice of coordination, if not "clearing," of drafts with officials in that Bureau. The present Commission has taken steps to guarantee a measure of independence for its publications and activities—appointing its staff director without reference to State, determining its own agenda for meetings, and assuring close oversight of publications by Commission members.

However, the institutional context contrasts with that of the USACI. To date, the USACIECA has not conducted a Congressional relations effort—an activity which could provide room for maneuver as either advisor or lobbyist. Moreover, the level of presidential interest in its field of activity has been uneven at best. When it does occur—as in the case of President Nixon's interest in leader exchanges—the ensuing policy deliberations have more often flowed through official review channels in the NSC and State itself. As a result, the Commission has defined its sphere of operation in terms that do not require close presidential support or connections, while seeking to avoid becoming solely a public relations arm of CU. In practice, its activity takes the form of addressing specific programs and policies of interest to the Commissioners, and weighing in with the official bureaucracy to present its findings—an advisory style not unlike that of the PFIAB.

V. THE GENERAL ADVISORY COMMITTEE ON ARMS CONTROL AND DISARMAMENT

The General Advisory Committee on Arms Control and Disarmament (GAC) was established as a result of a combination of political and personal circumstances which go far toward explaining its subsequent performance. The 1961 Arms Control and Disarmament Act, creating a separate Agency

quately. If you don't find what you need, ask your lawyers to look harder." Quoted in Philip H. Coombs, *The Fourth Dimension of Foreign Policy: Educational and Cultural Affairs*. (New York: Harper and Row, 1964), p. 51.

of the same name under the overall direction of State, authorized (but did not require) the President to appoint a General Advisory Committee of 15 members to advise the Director of ACDA, the Secretary of State, and the President. Appointments have to receive Senate approval.³⁵ Though the Act had strong support in Congress, it was the direct result of President Kennedy's active interest in this field of policy, as reflected in his campaign claims that the US spent too much "for war" and too little "for peace." From its beginnings, the GAC thereby gained the aura of presidential interest in ACDA itself.

In 1961, however, arms control initiatives were a new policy area about which many held deep suspicions. The GAC would thus be called upon to provide a prestigious, high-level interface between a new enterprise and a doubtful Congress—helping to provide legitimacy and public support as well as insurance that the nation's security was not about to be bartered away. The domestic political climate has continued to influence its role, though in ways unintended at a time when it was the executive branch above all which wanted action.

A third formative influence was the personal relationship between President Kennedy and his trusted advisor on arms control matters, John J. McCloy, for whom the GAC was designed as a personal vehicle. The GAC, which until his "resignation" in 1973 was known generally as the McCloy Commission, was a means whereby McCloy could continue to play a role as a principal advisor in this field without having the constraints, full-time commitment, and reduced stature implied by a subsidiary bureaucratic role within State. Once the enabling legislation had passed in Congress, the President's special assistant on arms control simply became the chairman of the GAC.

The GAC's composition reflected these origins. It consisted of a mix of prominent citizen VIPs and recognized experts—senior business figures, educators and scientists, lawyers and investment bankers, representatives of organized labor, and retired military officers. Among the original group over half had prior government service, including a former Air Force Chief of Staff and a former Secretary of Defense.³⁶ (See Annex I). During the Kennedy-Johnson years there was a high degree of continuity in the group: the statute did not provide fixed terms so that changes came through death or resignation.

The Kennedy White House provided a climate in which such a body could flourish, at least to the extent that it wanted to provide a stimulus for

thought and action. It was assured access to the President because of personal relationships and because he thrived in an environment of wide-ranging, open discussion with such a high-powered team. Meetings with the President were as frequent as they needed to be for the GAC to address the various stages of on-going negotiations such as the limited test ban. The limited evidence available indicates that the group functioned essentially as a channel of private advice on various proposals which helped shape the policy environment in which issues were determined. Its prestige and presidential access assured that ACDA itself would take the GAC seriously, responding to its need for staff support and information while attempting not to be outshone by it.

For President Johnson, the GAC was, of course, a Kennedy legacy. His personal style and preference for dealing in a small, close-knit inner circle was less compatible with the GAC. Though the group continued to meet 3-4 times a year and had presidential access, the whole exercise became somewhat more symbolic and pro forma. Rather than getting involved in operational policy issues, it was given periodic briefings and the opportunity for discussion of broad policy questions on the eve of US participation in such fora as the UN General Assembly's First Committee and the Eighteen Nation Disarmament Committee in Geneva.

By 1969, a different political climate had emerged and a new Administration set up its own structure for policymaking in foreign affairs. Arms control initiatives were the subject less of suspicion than of advocacy on the part of Congress and the informed public. The GAC had little incentive to become a more active public advocate of a cause which by now had become legitimized, if not universally supported. On the other hand, the time was clearly ripe for movement beyond the achievements of the limited test ban and the non-proliferation treaty, and there was at least the potential for a more activist GAC operating privately within the senior levels of government. President Nixon seemed to encourage such a possibility. He reappointed McCloy as chairman, and appointed 14 new members with distinguished backgrounds in law, business, science, and public service, including the former Director of ACDA and former Secretaries of State and the Treasury. The President provided the GAC with a formal mandate calling on it to play a role in the major strategic policy issues connected with arms control, and directing it to address specific questions in connection with SALT. He further stressed his desire that the GAC play an independent advisory role which could be of value to the administration.³⁷

³⁵P.L. 87-297, 75 Stat. 631.

³⁶First Annual Report to the Congress of the Arms Control and Disarmament Agency, 1962, Appendix VI, p. 101-02.

³⁷ACDA Ninth Annual Report to the Congress. 1969, p. 27.

Chairman McCloy thus had an appropriate policy and political context within which to steer the GAC in more activist directions. A larger number of meetings were scheduled, reaching a peak of 18 during 1970, and several were held with the President at which specific directives were given. He built a more independent staff operating from offices in ACDA, and sought access to the widest possible range of internal policy papers and classified data. Intensive sessions were held at which the GAC could be briefed and could educate itself on various regional and strategic issues related not only to SALT but to the comprehensive test ban review and to European arms control issues. The Committee's whole approach toward its mandate suggested an effort to become part of the inner circle of policy advisors on major issues, not an advisory appendage of the executive branch dependent on ACDA for its role.

In the years 1969-72 the GAC convened for 42 days of meetings and was briefed by dozens of governmental and academic experts. It developed recommendations on a number of specific negotiating issues in the SALT context and was tasked with supplementing official analysis; its Chairman even attended National Security Council sessions. But the advisory relationship did not develop as the GAC had hoped: the Nixon-Kissinger policymaking apparatus bore no relation to the Kennedy or even the Johnson style. Despite formal presidential mandates and promises of cooperation from Kissinger, key members of the NSC staff were instructed not to divulge the most sensitive policy documents to the GAC, especially as controversies emerged and positions hardened in the period leading up to SALT I. Though offered informal, oral briefings by Kissinger, the GAC had decreasing access in the White House, and was obliged to call on experts from the bureaucracy to keep itself informed—a situation which led to suspicion and a general fraying of relationships. Unauthorized leaks of information concerning US internal deliberations added to the problem, although these were never traced to the GAC which appears to have conducted itself with the utmost discretion.

The source of the problem can be located in two factors: substantive policy differences, as for example over the ABM issue in the US position; and the drive for personal control over major policy formation issues that characterized the Nixon-Kissinger system. Neither need concern us further here. But their net impact was to pose an inherent contradiction between the public advisory role and the realities of White House policymaking in that Administration. Similarly, the post-SALT I frustrations of the GAC, its further isolation from internal deliberations of the inner circle, its pro forma resignation after November 1972 followed by a

thorough-going "purge" of the GAC (including McCloy) and the broader arms control community—all belong more to the story of the Administration's collapse than to the story of the GAC.

The task of measuring the GAC's impact during the Nixon period is complex. Clearly it was outmaneuvered and kept in the dark in key places. There is little evidence that its advice became official policy. On the other hand, its very existence created a need to deal with it, to listen to it, and on occasion to argue with it. The GAC in this indirect way undoubtedly provided a small measure of openness and debate that would otherwise have been lacking, and made clearer to all the major advantages and disadvantages of extreme courses of action. What emerges from the record is that in this particular context of personalities, it was difficult to be effective without being threatening and equally difficult to impress the inner circle unless it was with greater expertise. To illustrate, a little known part of the record in this period was the emergence of a more technically oriented advising body called the Doty Group after its leading figure, scientist Paul Doty. Lacking any official basis, this collection of 4-5 experts included persons who had opposed Kissinger but whose knowledge was sufficiently useful to him politically so that he met with it, had his staff prepare for those meetings, and reflected its arguments in subsequent deliberations.

What is significant here is that a new phase appears to have begun for the GAC. The 1974 membership included 8 new faces including as chairman the scientist Harold Agnew of Los Alamos, whose backgrounds and prestige do not suggest a body easily managed through endless oral briefings. The mix between "representative" VIPs, experts, and former high officials is continued. If anything, the GAC possesses its strongest combination yet of expert technical and political/strategic knowledge. Though there is as yet little evidence by which to judge the new GAC's political context, the institution has survived the end of the McCloy period and its treatment in the 1969-73 years. As in the past, its role will hinge on the interplay of ambitions and interests of both advisors and the top figures of the Administration.

From past experience, one can generalize that the GAC, of the groups surveyed in this report, comes closest to blurring the line between public and private advising. When broadly defined and energetically pursued, its mandate takes it to the core of foreign policymaking in the contemporary period. The GAC is dealing not with an instrument of foreign policy or an input into policymaking, but with foreign policy itself. The Committee's activity and effectiveness will therefore oscillate between shaping the broad parameters within which opera-

tional decisions are made, and joining the inner circle when personal relationships and decision-making styles permit. Its precise impact on decisions will seldom be measurable except by those directly party to them. But a clearer understanding of what questions to ask when evaluating or establishing a body such as the GAC will leave us better off than we were in 1961.

VI. CONCLUSIONS

How do you define (and measure) the success of an advisory system? This report has assumed that a number of motives and roles not normally associated with the term "advice" have existed, and that most are unavoidable, if not acceptable, in a policymaking context. Two motives, however, are both avoidable and unacceptable: violation of the law (conflict of interest, restraint of competition, etc.) and the use of membership as a form of political reward. These apart, who is to question whether it is appropriate for public advisors to serve as image-builders, public relations platforms, specialist or generalist advisors, defenders of Executive branch autonomy, sounding boards, or advocates for particular policies or policy techniques? By what criteria are some of these purposes more legitimate than others?

But this is not to say that anything goes, or that all uses of public advice are equal. To the extent that we are interested in "improving" the policy process, we are interested primarily in the *substantive use of advisors*, and this obliges us to look for generalizations about *the conditions in which public advisors can be effective*. Effectiveness consists in such things as influencing policy, creating or shaping an environment in which policy is considered, generating new ideas or identifying unanticipated consequences of existing ideas, providing non-bureaucratic input on the management of programs and the conduct of operations, coordinating policy (within the executive branch or between it and Congress), and the like.

By "conditions" of effectiveness, we refer to those factors which have played a part in determining whether presidential advisors could have an impact. The paragraphs that follow highlight some of the more significant ones.

1. Engaging the President

The principal condition of effectiveness in a presidential advisory mechanism is that it be capable of engaging the President's attention and interest. To say that an advisory body is "presidential" is to say that it operates in a presidential

environment, including periodic access to him personally and relationships of some substance with relevant presidential lieutenants. Such an environment also entails the justified expectation of presidential support behind advisory body activities so that advisors can count on some measure of cooperation from White House and agency bureaucracies. Finally, a presidential environment means that the advisors are not dependent upon the bureaucracy or White House working levels to get the President's ear: they have other means of doing so. Clearly, no amount of nomenclature or statutory requirements will make advisors presidential in this sense, unless there are other factors working towards the engagement of the President. What are they?

A. PERSONAL RELATIONSHIPS

This report underlines the role of personal relationships in determining whether public advisors can be effective at the presidential level. Both the political and institutional facets of presidential power are highly personal. Bloodless organization charts that do not reflect relationships of personal compatibility, trust, familiarity, and loyalty cannot accurately describe the way presidential business is transacted. The implications for public advisory systems are enormous. Public advisors that are dependent on their shadowy institutional base for access to the President will have far less impact than those with a personal tie to him. Advisors who can get on his calendar regardless of the inherent importance of the subject on which advice is rendered will play a greater role than those who cannot. Conversely, when a president appoints public advisors solely because of their "clout" with external constituencies, their expertise, or their "representativeness," it can normally be assumed that he is acting for reasons other than a desire to get advice and will treat such advice as he gets accordingly. To be sure, presidents differ widely in their range of personal acquaintances, their openness to new relationships once in office, and their ability to work with people they do not know personally. The 1969-73 experience is not governing in this regard: public advisors in the Nixon Administration shared an experience not unlike much of the official bureaucracy. *Nonetheless, incoming presidents should be given every incentive and opportunity to appoint chairmen (and other members of advisory bodies) whom they know and want.* In the case of statutory-based commissions (GAC, USACI, USACIECA) Congress should exercise its confirmation powers in the knowledge that rejection of presidential nominations risks undermining the basic goal of public advice.

B. DECISION-MAKING STYLES

The experience surveyed in this report strongly suggests that advisors can have greater impact in some White House environments than in others, and that their performance varies sharply with each incoming president. Though the evidence is admittedly limited, it indicates that advisors can best serve their *advisory* role in a milieu of openness to contending views or one that is resistant to—rather than overawed by—official bureaucratic wisdom. In such cases, public advisors have intermittently found that they could obtain access and support; more rarely, presidents have considered that it was imperative to have external figures serve as a stimulus for improvements, whether because of their unique backgrounds or because they could not be persuaded to assume official roles. Specific historical issues (in domestic politics or foreign policy) lay behind the creation of most advisory bodies, and in one case (the GAC) the circumstance of a particular advisor (McCloy) was determining. Once established, however, advisory bodies did about as well as presidential styles and presidential connections permitted. Given the great divergence in both, from one Administration to another, it can be argued that institutionalization of external advisory systems is impossible. Continuity of performance will exist only on paper because the passage of time changes not only presidents but also the policy issues they face. Without denying this view, it can also be argued that presidents *ought* to design open systems with a place for public advisors, and that good presidents *will*. At the least, *it should be up to the President to make a conscious choice of whether to continue an existing advisory body, spin it off to the bureaucracy if it has become departmental in practice, or terminate it.* (The Federal Advisory Committee Act provides for automatic termination every two years of bodies established by executive order, unless the President or an agency renews them. Statutory-based presidential advisors may be either permitted by Congress (GAC) or mandated (USACI). The latter formula should be used sparingly.)

C. "PRESIDENTIAL" POLICY AREAS

The performance of a public advisory board clearly depends in part on the level of presidential interest in the problems it addresses. Accordingly, it is reasonable to argue that *public presidential advisors should only exist for those foreign policy-related areas in which a president is likely to engage.* But this report suggests a wide range of presidential motivations for seeking external advice, to say nothing of areas in which one might wish a president had sought such advice. The record does *not* support the conclusion that public advice is, or should be, limited to core issues of foreign policy formulation; of the

groups examined, only the GAC would fit this definition. Rather, it suggests that advisors emerge for a variety of reasons, such as: to protect against encroachments on presidential flexibility, to protect and reassure against perceived risks in new and controversial programs, to help deal with problems of organization and management, and to help improve performance and capabilities. As defined by presidents, the policy areas that can be called "presidential" are (1) fields of controversy and innovation (this would apply to all four bodies reviewed here); (2) areas of policy for which the President himself, as distinguished from his departmental subordinates, has the greatest personal responsibility by statute or in practice (intelligence); (3) policy fields where the President has the greatest degree of discretion and flexibility (intelligence and arms control); (4) issues of sufficient sensitivity to suggest the wisdom of involving external policy experts possessing public credibility (information and cultural exchange and arms control); and (5) policy formulation in fields that most require top level coordination and control because of the bureaucratic context (intelligence). Finally, public advisors can serve the President on policy areas that would probably not otherwise get on his agenda because of insufficient support at top departmental levels (information and exchange programs) or because of a lack of overview and interest in any one department (science policy).

2. Designing Feasible Mandates

What do these types of policy have in common that make them appropriate fields for public advice? The common thread is their consistency with particular visions of the President's needs and role in foreign affairs at specific points in time. They do *not* reflect a rational theory of public advice but rather the intermittent engagement of different presidents in various issues over time. Presidents may become engaged in this sense in order to chart bold new courses in foreign policy or stimulate overdue reforms; but their engagement is frequently for less glamorous goals such as responding to external events, coping with domestic pressures, putting out damaging fires of controversy, or dealing with bureaucratic stalemate and disorganization. Advisors can help in any of these spheres and they possess the special advantage of being seen to help because of their suggestion of external stimulus and catalyst. But their limits are important to recognize.

If the experience of our four advisory bodies is a guide, public advisors cannot make foreign policy or solve problems by themselves. They cannot substitute themselves for an op-

erating arm of government. Where the problem is one of organizational muddle or failure to look ahead—as it frequently has been in the cases of intelligence and foreign economic policy—the existence of presidential advisors will not by itself resolve it. What they should be able to do more often, however, is to lobby with the agencies for responsiveness to the president's need for an overview—a coherent perspective—on the fragments of foreign policy. Second, they can, as public citizens, offer him a broader basis for political judgment than he will obtain from those who are too close to “the action” or too wedded to the programs to weigh public sentiment. Third, when they are qualified to do so, public advisors can serve as trouble-shooters for the President on management or substantive policy issues which do not surface in the White House because of bureaucratic obstacles. When advisors are responsive to presidential needs in these terms, the potential for engaging his interest and support grows. This leads to some conclusions concerning presidential mandates to public advisors.

A. ASSIGNING THE RIGHT MANDATE

The language of executive orders and laws establishing advisory bodies is typically so general as to be of little use in determining what such bodies actually do, or are meant to do. Responsibilities are assigned which, on the face of it, are beyond the capacity of part-time, high level groups. Moreover, the actual practice of presidents and legislators in assigning mandates is often little better than the formal documents. This report suggests that *greater care is required in assigning mandates that are specific and appropriate to the roles actually envisaged and to the type of advisors to be appointed.* All too frequently, public advisors have been asked to do things that are (a) probably not feasible for them to do, (b) duplicative of things done elsewhere within the government, (c) too diverse and likely to over-stretch advisory resources, or (d) incompatible with each other. The fact that both Congress and the White House are involved in the design of many of them only aggravates the problem. The groups surveyed here illustrate three main types of advisory mandates.

Management advice centers on improving performance and capabilities of an agency or program. This typically entails an interest in organizational matters—in matters of coordination, control, and responsiveness to presidential needs and perspectives so as to “do the job better.” The PFIAB, the USACI, and the USACIECA have held such mandates, though they have each delved into other roles as well. If a president wants advice or management, his advisors should receive the support they need to intervene in organizational matters that will, inevitably, be seen as threatening by some bureaucratic actors. Similarly, if he wants such ad-

vice, he should look to trusted individuals with management experience and knowledge of the field and the bureaucratic setting. In practice, however, management advisors have frequently decided (or been encouraged) to spill over into advising on “what job to do” or even “doing the job” themselves. *Such dispersal of effort entails a real risk that board members will spread themselves too thin and thereby gain a reputation in the bureaucracy for dilettantism and grinding their individual axes on policy matters.*

Policy advisors such as the GAC run an even more serious risk of stimulating suspicion and antagonism within the government (especially within the President's own staff). For this reason, *such mandates should be limited to fields in which the President actually seeks a diversity of views and is prepared to appoint persons with unquestioned access to him.* Because of the inherent sensitivity of such advice—and the ease with which officials can outmaneuver part-time external advisors—mandates of this type should probably include some consideration of the channels and procedures through which advice is to be rendered. Mandates that require independent review and analysis by the advisors themselves raise additional questions of staff support, thereby increasing the tendency to blur the line between operational and advisory roles.

Public affairs and public interest mandates were built into the charters of the USACI and the USACIECA, reflecting both congressional and executive branch interests. The Commissions were to report to the public, safeguard the public interest, and, at the same time, provide policy and management advice. Over time, they assumed a lobbying function on behalf of “their” programs as well. The meaning of “effectiveness” for such bodies is especially difficult to define: are they effective when they affect “their” programs and policies, when they cause problems for “their” agencies vis a vis the President or Congress, when they help sell the administration viewpoint with Congress at budget time, when they gain congressional support on behalf of their position vis a vis “their” agency, and when they gain broader public understanding and support of “their” programs? Clearly, *advisory bodies with such a mandate face an enormous potential for role conflict*, and will tend to favor some roles over others. A combination of personal skill and changing congressional attitudes has permitted the USACI to play a useful role between Congress, USIA, and the White House. But the evidence suggests that its record owes much to “special” circumstances and that its multi-purpose charter should not become a model.

B. THE PUBLIC'S “RIGHT TO KNOW”

Regardless of the mandate(s) provided by statute or executive order, the Federal Advisory Commit-

tee Act of 1972 appears to assign advisors the additional role of assuring "open" government and "open" advisory mechanisms. The Act may not have been consciously aimed at foreign affairs advisors, but it covers them as well except when they can close their meetings under one of the exemptions provided in the Freedom of Information Act. The net result has been to offer many public advisory bodies (including the USACI and the USACIECA) two unpleasant choices: they can conduct an innocuous public charade before whatever members of the public choose to attend meetings (in some cases, reportedly, the staff of foreign embassies); or they can devise questionable rationales to close their meetings. Neither would appear to serve the public interest. *Despite current demands for openness, it should be recognized that the definition of what is "sensitive" in foreign affairs will, in any event, be determined by the Executive Branch and that it will get its advice, if at all, under conditions it can accept. There is a strong case for exempting foreign affairs advisors from the Act.*

C. SHOULD PUBLIC ADVISORS BE "INDEPENDENT"?

A central aspect of designing feasible mandates for public advisors is the question of their "independence" from those agencies and programs about which advice is given. The Federal Advisory Committee Act includes requirements that are designed to assure that advisors have a "strictly advisory role" and do not themselves make policy. It stipulates that each agency should assume responsibility for "its" advisors—by providing staff; setting agendas; calling, attending, and stopping meetings; and reporting in some detail on the activities of advisors. The requirement is presumably aimed at perceived abuses and at the waste of public funds on bodies which may serve no public purpose at all. But it does not appear appropriate in the case of *presidential* advisors whose *raison d'être* is to offer him a variety of inputs concerning such fields as intelligence and information policies. *In those rare cases where a measure of independence from agency views has emerged—as it has in varying degrees for the four bodies reviewed here—it should be preserved and fostered.*

D. MANDATES AND STAFFS

It has been suggested by seasoned observers that advisory bodies require far larger and more substantive staffs than currently exist to support the activities of the principals. The argument is that staff resources are a primary means of developing information, leverage, and independence in a bureaucratic political context. This is a logic, however, which derives from observation of the official bureaucracy. Public advisors, especially at the

presidential level, are misused if they are expected to serve as an operational channel for analysis and review parallel to official channels—as was the case in some mandates given to the GAC and the PFIAB during 1969–72. The potential value such persons derive from their presumed detachment from the interests and established wisdom of existing institutions in foreign policy, a detachment which is unlikely to survive the creation of new staffs with their own interests and views. Influence in a senior advisory relationship derives from confidence and a shared perspective, not from "clout" or analytic expertise. To be sure, there will be problems on the advisory agenda which require considerable research and analysis, but there is no inherent reason why the necessary staff work cannot be obtained within the bureaucracy, or outside it, on an ad hoc basis as needed. *Significant expansion of public advisory staffs poses the real risk of creating simply another level of bureaucracy and another scramble for "the action."*

E. MANDATES FOR INTELLIGENCE ADVISORS

The problem of competing or conflicting mandates to public advisors applies with special force to the field of intelligence. Public controversy virtually assures that some form of public watchdog and oversight role will be institutionalized as a result of the current intelligence investigations. At the same time, intelligence is such a clear presidential requirement and direct presidential responsibility (under the 1947 National Security Act) that he will continue to want his own advisors. The PFIAB cannot do both. Though established partially in response to Congressional pressure, for some form of public oversight, PFIAB has been a presidential instrument exclusively and its record reflects what the Chief Executive has asked of it. It is reasonable to conclude that the President will continue to require such a part-time board precisely because of public controversy and because of the evident need for some form of non-bureaucratic support on matters of supervision, coordination, and responsiveness. Perhaps attention should be given once again to the 1955 recommendations of the Second Hoover Commission which called for *two types of advisory/watchdog bodies relating to Congress and the President, and meeting jointly "to collaborate on matters of specific importance to the national security."*

3. Implications for New Advisory Bodies

The preceding discussion highlights the engagement of the President and the design of feasible mandates as central to the effectiveness of external presidential advisors. It concludes that there are three broad types of things that advisors can do for

him: trouble-shoot on management or policy issues that do not surface in the White House via official channels; lobby with the bureaucracy for responsiveness to the President's need for a coherent overview of policy; and provide an external sounding board as a basis for political judgment. But it also notes the serious potential for role conflicts when advisors are assigned incompatible mandates by succeeding presidents or by the President and the Congress; and it urges some clarity in defining advisory missions and a clearer recognition that the President's interest in the use of advisory mechanisms will not be served by statutory restrictions. Applying these standards to contemporary foreign policy issues permits us to weigh the merits of establishing new advisory bodies, as illustrated below.

A. PUBLIC ADVICE ON THE OVERSEAS OPERATIONS OF FOREIGN POLICY

There is widespread evidence that US overseas programs and policies are difficult to coordinate from Washington, and that ambassadors have had uneven success in orchestrating the many component parts of foreign policy in their jurisdictions. While one may justifiably hope that a president will be able to direct and manage his lieutenants and staff in Washington, he has little ability to find out what the impact of overseas operations actually is and how it relates to his foreign policy objectives. There presently exists no structure for providing coherent reporting or evaluation on these matters, except insofar as a particular ambassador is able to master the budgets, programs and administrative fiefdoms within his mission. Similarly, there is no procedure for weighing the overseas performance of the government *from the President's standpoint*, except on specific policy areas such as information and intelligence which are served by the existing public advisory bodies. There is thus a case for creating *a presidential panel with the mandate to review, on the President's behalf, the impact, coordination and image of the official presence in selected foreign settings*. Such a body would not be supervisory vis a vis the ambassador but could, in fact, provide some backbone to recurrent presidential exhortations that ambassadors assume full direction of US missions. It would not be directed against any agency or competitive with existing overseas review procedures such as those of OMB; rather it would seek to provide an overview of whether existing doctrines and current actions are having their intended consequences.

B. PUBLIC ADVICE ON FOREIGN ECONOMIC POLICY

It is widely recognized that the multiplicity of interests and actors engaged in foreign economic

policy has led to policy confusion, inter-agency struggle, uncoordinated initiatives, "end-runs" and the like. Such normal symptoms of bureaucratic life appear to exist in exaggerated form and increasing frequency in this policy arena. The State-Treasury stand-off on various issues, the competition of various actors for control of policy on energy and food, and the recurrent shuffling of White House official advisors and coordinating mechanisms are striking illustrations of the problem. The question is whether a new advisory layer composed of part-time senior persons could do more than add to the confusion. There already exist a number of advisory bodies which serve as government-business channels at the agency or presidential level, and it can be doubted whether this type of communication/advice meets the central problem. Similarly, there are mechanisms for public (that is, private) participation in preparation for trade negotiations. *The problem is essentially one of coordination or management, rather than of a failure to consider private wisdom of the corporate or academic variety.* Foreign economic policy is increasingly playing a pivotal role in overall national policy with the result that it is inherently hard to separate from national economic policy or from traditional foreign policy. In the natural struggle for the action, presidents have been prepared to "let one hundred flowers bloom" rather than face the awesome task of meaningful reorganization, with all its bureaucratic and, especially, Congressional implications. *Part-time public advisors are unlikely to be successful in handling a management problem of this scale. There are two things, however, that they could usefully do: (1) advise the President on how to reorganize—assuming he is willing to undertake the effort; (2) advise him on the consequences, hopefully in advance, of continuing the current disarray.* Given the importance of foreign economic policy, one of these might be worth a try.

C. PUBLIC ADVICE ON EMERGING ISSUES IN FOREIGN POLICY

Present administrative arrangements have not succeeded in assuring that rapidly emerging issues of great importance to *future* foreign policy be recognized at the highest level *before* they become common knowledge elsewhere. There are several aspects to this problem. It may be that officials by nature resist forward thinking or are deficient in the ability to challenge their own assumptions. There is little question that the American system has successfully resisted the concept of central planning as an integral element of policymaking. But one suspects that the problem may be organizational. Most of the "emerging issues," about which foreign policy leaders occasionally talk, are multidimensional problems whose complexity prevents single

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agency initiative—and, equally important, single agency dominance. Energy, for example, was a field of policy which the State Department was incapable of taking the lead on back in 1970–71, even though State was by far the first agency to grasp its foreign policy implications. *What is generally lacking is a willingness at senior departmental levels to push controversial or potentially divisive thinking or spend their “capital” with the President unless there is an incentive to do so. There seldom is on issues whose current political import remains undefined.* The result, on energy, was a failure of any of the President’s chief official advisors to press the

issue with him, despite a wealth of information and “advice” available within the bureaucracy—until events forced them to do so. *A public advisory mechanism could perhaps play a greater role in this process.* The PFIAB already does so on a limited basis, but from the standpoint of intelligence, not policy, priorities. The problem of defining the mandate and selecting members for such a part-time think tank would be troublesome. But the potential benefits of a more forward looking foreign policy argue for giving some thought to external advisors.

Appendix T: Budgeting and Foreign Affairs Coordination

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Introduction

Appendix T consists of two papers which explore ways in which budgeting and resource allocation can be improved as instruments of foreign policy analysis and coordination: "Budgeting, Programming, and Foreign Policy," by Arnold Nachmanoff, and "Congressional Use of Its Money Power to Control Foreign Policy," by Allen Schick.

The first paper reviews experience in the Executive Branch with use of budgeting and country programming in foreign policy-making and implementation. It also examines ways in which the practice could be made more effective in the future.

The second paper reviews the authorization and appropriation processes in the Congress and considers the implications for the new congressional budget processes as they bear on this field.

Both papers point out that in today's world, the resource implications of foreign policy spread well beyond outlays in the budget related to classical foreign affairs activities. Increasingly, the foreign policy impacts of decisions implicit in the budgets of such agencies as the Department of Agriculture, the Department of Commerce, and the Energy Research and Development Agency must be weighed by those responsible for the overall direction of U.S. foreign policy.

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Budgeting, Programming, and Foreign Policy

Arnold Nachmanoff
May 1975

SUMMARY

The budget process is not a prime vehicle for decision-making in foreign policy. It is most relevant for issues where resource levels are a major factor and where multiple objectives are involved. The budget process can be an instrument for controlling agency programs and assuring their consistency with established policy, but that potential rarely has been exploited in the foreign policy area.

Foreign affairs country programming efforts, such as CCPS (Comprehensive Country programming system) and CASP (Country Analysis and Strategy Papers), have had little impact on foreign policy formulation. Similarly, NSC-initiated country program budgets and studies received little attention by top decision-makers. Country programming has had some utility for improving management and coordination of programs in the field. Agency-based PPB (planning, programming, and budgeting) systems also have had little impact on foreign policy formulation, but they have contributed to better intra-agency management in some cases. Perhaps the most significant reason why these programming systems have not been useful for policy formulation is that the major issues cannot be resolved in country or agency contexts.

One reason for the limited effectiveness of the country programming systems for control and coordination purposes was the failure to link them directly to the enforcement powers of the budget process.

The feasibility and value of a unified foreign affairs budget, comparable to the Defense budget, seem questionable due to the difficulties of making clear distinctions between foreign affairs and non-foreign affairs programs, the absence of a unified Department with a single responsible official, and traditional jurisdictional divisions in the Congress.

At the central foreign policymaking level, there is an important need for improved analysis and decision-making on global issues which cut across many

areas of governmental concern. At country and regional levels, the need is for improved management and coordination. Some suggestions for using the budget process and OMB at the central level are:

1. More systematic interaction between the foreign policy and budget processes to increase awareness of interrelationships between foreign affairs and non-foreign affairs programs and issues, specifically by (a) regular participation by the Budget Director and OMB at all levels of the foreign policymaking structure, and (b) regular and timely participation of the central foreign policy coordinating staff in the budget processes for relevant non-foreign affairs agencies.

2. Use of checkpoints in the budget process for periodic monitoring and specialized analysis of foreign and domestic program interrelationships, specifically including:

- (a) Annual Special Analyses in the budget on functional crosscutting issues (e.g. energy, food) prepared prior to final agency budget decisions.

- (b) An annual Special Analysis for all international affairs-related programs across the government (both (a) and (b) to include "off budget" programs and "tax expenditures").

- (c) "Impact Assessments" at key checkpoints during the year (e.g. supplemental requests, legislative clearance, new program proposals) for those issues with significant foreign-domestic interrelationships.

- (d) "Implementation analyses" at suitable checkpoints to assure consideration of organizational, administrative, or legislative alternatives for implementing proposed policies.

- (e) Selected PPB studies generated by the central coordinating staff in cooperation with OMB with results cycled into the budget process as appropriate.

- (f) Improved collection and processing of global data required for analysis of crosscutting issues.

At the country and regional level, policy implementation might be improved by:

1. Clear assignment of responsibility for assuring effectiveness and coordination of all government programs to the regional Assistant Secretaries of State.

2. Annual country program analyses and reviews with recommendations by the Assistant Secretaries on agency programs to be cycled into the budget process.

3. Improved staff capabilities in the State regional bureaus for program analysis.

Executive branch *planning and operating flexibility* would benefit from multi-year authorizations and greater discretion to transfer funds among programs and countries, but such measures are not likely until more consensus on foreign policy is achieved between Congress and the Executive.

INTRODUCTION

Budgeting and programming in the foreign affairs area have been subjects of considerable discussion and some experimentation since the early 1960s. The apparent success of Robert McNamara in improving analysis, decision-making, and central control in the Defense Department through the application of a planning, programming, budgeting system stimulated efforts within the Executive Branch to replicate PPB throughout the government. An initial effort to develop a comprehensive programming system for all foreign affairs activities of the U.S. government was launched within the State Department in 1963, even before President Johnson directed the institution of a government-wide PPB system in August 1965. The priority accorded these efforts at PPB—both in the foreign affairs area and generally in government—declined rapidly by the end of the 1960s, but vestiges remain today in the State Department's CASP and PARA (policy analysis and resource allocation) exercises.

This paper does not attempt to review the history of these programming efforts in detail nor to provide a comprehensive analysis of the application of budgeting and programming to foreign affairs. Based upon interviews with several present and former officials of the Office of Management and Budget (OMB, formerly BOB), State Department, National Security Council (NSC) staff, and a scanning of some of the available literature, the paper presents some observations on the actual and potential utility of programming and budgeting for analysis, decision-making, coordination and management of foreign policy.

The perspective and focus of the paper is solely that of the Executive Branch. It does not attempt to

deal with the issues covered in Allen Schick's excellent paper on "Congressional Use of Its Money Power to Control Foreign Policy."* The paper also does not deal specifically with the defense budget, despite its significant foreign policy implications, because that subject is treated extensively in the paper by J.P. Crecine.**

I. BUDGETING AND PROGRAMMING: GENERAL COMMENTS

1. *Budgeting* in the federal government is the central process by which choices are made regarding the expenditure of federal funds. It is the process by which politically-determined priorities are translated into resource allocation decisions. The budget process involves an annual cycle which includes
 - the establishment of planning levels for the government as a whole in light of national economic conditions;
 - the development of agency budget requests through competition among and within program areas for allocations within planning levels;
 - review and adjustment of agency requests by OMB, and ultimately by the President;
 - submission of a Presidentially-approved budget to the Congress;
 - review, authorization and appropriation action by the Congress; and,
 - apportionment of budgetary allocations within the Executive in light of Congressional actions and changed conditions subsequent to submission of the budget request.

A number of ancillary functions are related to the budget process within the Executive: clearance of new programs and legislative authorization, control of numbers and grade levels of personnel, organization and management oversight, etc.

The most significant impact of the budget process is in setting overall expenditure levels consistent with fiscal policy considerations, and in controlling inefficiency and waste in agency programs. It forces "operators" to make choices among priorities, and to periodically justify incremental changes in resource levels and distributions.

Budgets are prepared on agency, programmatic and object classification lines, focusing on one year. They generally involve analysis and control of incremental changes. They are not intended to, nor do they necessarily facilitate, cross-agency comparison of programmatic alternatives for meeting similar or common objectives, assessment of long-term effects and costs, or the impact of individual pro-

*Printed elsewhere in this Appendix.

**Printed in Volume IV, Appendix K of this series.

gram decisions on other objectives and programs. Appropriations categories are cast in input terms (salaries, equipment, buildings, loans, grants) which cannot always be readily or clearly related to policy goals or purposes (which are themselves often broadly defined).

2. *Programming systems* plan and cost the implementing actions and activities necessary to carry out or achieve policy goals. Programming processes generally have been established by and implemented within individual agencies. Many of these programming systems existed long before PPBS was introduced in the federal government (e.g., AID). PPBS was intended to add a new dimension to governmental decision-making by systematically linking policy planning, programs, and budgets. It was designed to make more explicit the relationship between policy goals and resources, to bring together consideration of issues and programs which are related, to force awareness and consideration (within and across agency lines and appropriation categories) of alternative uses of scarce present and future resources.

Its purpose was not to make decisions, but rather to help decision-makers by systematically defining objectives in terms of desired output, structuring issues to present all meaningful program alternatives, measuring total costs (current, future, and indirect), analyzing the effectiveness of alternatives in achieving objectives, and relating these analyses to budgetary choices. Among the elements incorporated in PPB systems are forward planning, multi-year programming, and the application of systematic analysis.

PPBS does not set basic policy direction (i.e., what should be our goals) or determine budgets (i.e., how much money should be appropriated for various programs). It is a process for assuring that decision-makers have more relevant information and analyses, which, when factored in with a variety of judgmental considerations, can help them make more considered and informed policy and budgetary choices. Like any information system or analytic technique, PPBS has value only to the extent that those who set policy or make program and budget decisions choose to use it.

II. BUDGETING AND FOREIGN POLICY

1. *The budget process is not a prime vehicle for decision-making in foreign policy.* Although it introduces fiscal constraint considerations into broad program decisions (e.g., overall levels of economic and military assistance programs; the defense budget), money decisions are not critical to most major foreign policy issues. Budgetary considerations may be in-

involved, but most foreign policy problems center around other factors. This is illustrated by the fact that the total level of budgetary outlays estimated for foreign affairs in FY 76 (\$6.3 billion/outlays) is a relatively small percentage of the total budget (2%), and that total outlays of the department with principal responsibility for foreign policy, the State Department, are estimated at only \$950 million.

Thomas Schelling has written that "foreign affairs is a complicated and disorderly business, full of surprises, demanding hard choices that must often be based on judgment rather than analysis, involving relations with more than a hundred countries. . . ." * Foreign policy issues often arise out of events or in contexts out of U.S. control: changes of government in other countries, political or economic initiatives in international bodies, a shift in global market conditions, violation of an agreement, the scheduling of an international conference, etc. These kinds of international events often require decisions which cannot be forced into a regular cycle, such as the budget process—even when those decisions have budgetary implications. Given the political/diplomatic nature of many foreign policy issues and the substantial uncertainties inherent in international relations, the annual budget process generally does not bring together critical or major foreign policy issues for decision—though many foreign policy decisions may have to be translated into budget actions (e.g., supplemental appropriations requests, interagency transfers). In fact, most foreign policy issues are resolved outside the budget process, either in bodies such as the National Security Council or Economic Policy Board, in less structured interaction between the President and his principal foreign policy advisors, or by the Secretary of State directly.

2. *The budget process is most relevant in foreign policy decisions where fiscal resource levels are a major factor.* It subjects the choices to a "needs" test. Where U.S. foreign policy objectives with regard to developing nations or forward defense countries are dependent upon bilateral economic or military assistance, AID and MAP budget levels and distribution are significant issues. To the extent that U.S. relations with LDCs (lesser developed countries) generally are related to the levels of contribution provided to such entities as the IBRD, (International Bank of Reconstruction and Development), regional development banks or UNDP (United Nations Development Program), budgetary considerations are significant. On another level, the importance of influencing attitudes and improving communications with certain groups or leaders within a given country or group of countries may depend on the

*U.S. Senate Committee on Government Operations; *Planning-Programming-Budgeting*, Washington, 1970, p. 111.

level of resources which can be allocated to exchange programs, USIA information programs, VOA broadcasting, or Peace Corps volunteer programs.

Today, however, even these budgetary issues are diminishing as U.S. policy goals have shifted away from the activist development and military security orientation of the 1960s, as the limitations of external inputs in affecting the internal evolution or attitudes of other nations have become apparent, and as Congressional willingness to appropriate funds for foreign aid programs has declined.

This shifting of priorities and the lower levels of bilateral aid in recent years have concentrated economic and military aid decision-making almost exclusively on political grounds: how much "negotiating leverage" can be bought. In recent years, most of the foreign assistance budget has been allocated to Southeast Asia and the Middle East. "Negotiating leverage" is largely a question of political judgment, not programmatic analysis. It is not surprising, then, that the Secretary of State has dominated foreign aid decision-making (too) and that the budget process, and OMB, have played a much less important role than they did in the 1960s.

In this context, *the federal budget has become less of a planning document and more of a vehicle for sending political signals* by changes in the level and composition of the economic, military assistance, and defense requests. These signals may reflect "real" expectations and/or intentions, or they may be disguised to hide or mislead other nations. Thus, to support its diplomatic posture toward a given region or country, the Executive may request much higher levels than it reasonably expects Congress to enact. Or a decreasing level of assistance may be budgeted to put pressure on a recalcitrant ally or to reflect a basic change in U.S. stance. Intentions can be disguised until after certain circumstances have changed or conditions met, when supplemental appropriations may be requested. The defense budget level and composition, of course, are important factors in "signalling" to adversaries and allies our posture toward and capability to support our military alliance commitments.

3. *The budget process can be an important instrument for control of agency programs.* Even when dollar amounts are not large, it provides an effective handle for controlling programs and assuring that they are consistent with established policy. The annual cycle creates a timetable for examining and challenging activities and plans. It forces certain decisions to be taken. (The action-forcing importance of the budget cycle is magnified by the coincident culmination in January of the President's Budget, State of the Union, and Economic reports to the Congress.) As Schelling points out, budgeting offers "invaluable opportunities for holding hearings, demanding jus-

tifications, spot-checking the quality of planning, identifying objectives, and enhancing competition among sub-groups."*

However, the potential of the budget process as a control device in foreign policy has rarely been exploited. Except for periodic concern with country aid levels, no Secretary of State or Assistant for National Security Affairs has shown a serious interest in utilizing or closely monitoring the budget process to get a handle on the foreign affairs programs and activities of other agencies. There is little evidence available, for example, to suggest that these officials have utilized the budget process effectively to control intelligence programs, despite the fact that annual expenditures for intelligence programs reportedly are in the multi-billion dollar range and OMB is virtually the only independent checkpoint for such programs within the Executive Branch.

The uses and importance which a President attaches to the budget process, and the functions for which he relies on OMB, vary with the preferences and interests of individual Presidents. A President's desire to control programs may depend upon the degree of new policy direction he wishes to bring to government, particularly in the first years of his administration. It may vary with his level of concern about the political sensitivity of the programs, the degree of substantive bias in the agency which he wishes to balance, the quality of management, or the agency's lack of responsiveness to his direction because of vested interests and ties to Congressional or public constituencies.

One example of the President's use of the budget process (and BOB) to maintain tight control in the foreign policy area was President Lyndon Johnson's "new commitments" procedure for AID. Going beyond the approval of the overall AID budget level and even country program levels in the annual budget, President Johnson directed that every AID project loan over \$5 million and every program loan above \$10 million be submitted to him for final approval through the Budget Director, Treasury Secretary (for balance of payments considerations), and his Assistant for National Security Affairs. Although this particular arrangement probably involved the President at too detailed a level of operations, it did keep him continuously informed, and gave him an independent staff assessment of the consistency of AID's program activities with his policies. It also gave him an opportunity to consider alternatives which the operating agency might not present (or might not present in an unbiased manner).

4. The budget process can be most useful in *resource-related issues which involve multiple objectives*, such as food aid (PL 480) levels and allocations.

*Op. cit., p. 113.

Here, decisions must be made not only on the basis of foreign policy requirements (external resource needs of foreign economies, alternative capabilities for transfer, negotiating leverage), but they must also take into account effects on domestic supplies of commodities, on prices, on the balance of payments, etc.

Although some decisions may be taken outside the budget cycle, the need to establish a level in the budget is a critical factor. *OMB has traditionally played a key role in the analysis and resolution of PL 480 issues*, where State/AID, Treasury, and Agriculture represent sometimes conflicting interests. Although State's interest has increasingly been on using food aid for negotiating leverage purposes, it cannot be as overriding as in other areas because of the importance of the domestic policy implications. As one State Department official put it, OMB plays a key role because it is sensitive to both the foreign policy and the domestic implications. (Indeed, it is an area in which the International Programs and Natural Resource Programs Divisions of OMB co-operate closely.)

III. FOREIGN AFFAIRS PROGRAMMING

The history of efforts to apply PPBS to the foreign affairs field through the 1960's is well documented in the Harr & Mosher book, *Programming Systems and Foreign Affairs Leadership: An Attempted Innovation* (Oxford Press, N.Y., 1970). There has been some limited continuing experimentation since then with country programming (CASP and PARA) systems in the State Department and with country analysis by the NSC staff. This section will briefly review the impact of those efforts.

1. CCPS

The initial attempt to bring all overseas activities of the U.S. Government (other than military commands) into a comprehensive country programming system (CCPS) originated in the management branch of the State Department. It was intended to strengthen the role of the Ambassador in the field, and the State Department in Washington, in coordinating and controlling the activities of other U.S. Government agencies. A major impetus for the effort was the Herter Committee Report of 1962, which recommended that the State Department be strengthened "to assist the President in providing leadership and coordination in foreign affairs", including among its responsibilities the development and coordination of foreign affairs programs, and the planning and marshalling of the resources needed for their implementation. Specifically, the Herter Committee recommended the establish-

ment of a system for translating policy objectives into programs of action and projecting resource requirements.

CCPS was built primarily on the May 1961 letter from President Kennedy to all Ambassadors, which stated: "In regard to your personal responsibility and authority, I shall count on you to oversee and coordinate all the activities of the United States Government in _____ (country)". *Although it was ultimately intended to strengthen the Department, CCPS started from the bottom up, resting primarily upon the Ambassador's authority in the field, not the Secretary of State's authority in Washington.* The decision to start in the field recognized the fact that the Ambassador's authority over other agencies in the field was clearer than the Secretary's authority in Washington. Moreover, it is important to note that *CCPS was basically a management information system which did not evolve into a true PPB system because it never was closely integrated into the budget process for other agencies.*

The basic "program packages" of the system were *country units*. Program activities and resource requirements (including manpower) were reduced to dollars and were arrayed in functional categories cutting across agency lines, and against policy objectives as stated in National Policy Papers or other policy documents. The data were developed and reviewed in the field under the Ambassador's direction, and a recommended country program was forwarded to the State Department for review and approval by the regional bureau, and presumably for follow-up coordination with the other agencies whose programs were being recommended for increase, decrease, shifting, or abolition.

The system went through a series of evolutions, name changes, and experimental applications, but eventually terminated by 1967.

The reasons for the decline of the State Department-initiated CCPS/FAPS effort involved a number of bureaucratic, organizational, and attitudinal conflicts spelled out in detail in the Harr-Mosher study: the view of traditional foreign service officers that this was just an administrative function, their discomfort with management roles and quantification, the absence of strong interest or support by State Department's top management in assuming a leadership role, the resistance of other agencies to being coordinated by State, and finally, the unwillingness of State's Appropriations Subcommittee to include funds for implementation of the system.

Most significant, perhaps, was the institution in August 1965 of a government wide, *agency-based* programming system under the Budget Bureau's guidance. The BOB system was intended to build upon existing agency programming systems rather than to impose a State-managed inter-agency system on them. The BOB approach was pragmatic: the Federal Budget is put together on an agency

basis, and is reviewed in the Executive and the Congress on an agency basis. The possibilities for applying any planning-programming-budgeting system to foreign affairs were tenuous enough: the possibilities for applying two PPB systems simultaneously were ridiculous. One had to give way, and it was CCPS (then called FAPS—Foreign Affairs Programming System) which had never been firmly ensconced even within its own institutional base. Ironically, *the agency-based PPBS apparently had little impact on foreign policy decision-making*. State was soon relieved of the burden of PPBS; and the principal utility cited for PPBS was improving intra-agency management in a few cases (*e.g.*, in USIA and Peace Corps). Although attempts were made to develop an inter-agency review process by bringing State into the process of reviewing other agency programs and budgets, the results were marginal.

2. CASP AND PARA

A much modified vestige of the foreign affairs programming effort survived in the Latin America Bureau (ARA) in the form of Country Analysis and Strategy Papers (CASP), and the State Department has experimented with similar papers elsewhere under the name PARA (Policy Analysis and Resource Allocation papers). CASP and PARA are country-based, field initiated, but much less quantitatively-oriented or structured than CCPS.

The CASP process in the Latin American area has been the most enduring version of foreign affairs programming. This may be accounted for in part by the relative coherence (in the past, at least) of a regional approach in Latin America (*e.g.*, the Alliance for Progress), the special status which past Presidents at times have conferred upon the Assistant Secretary for Inter-American Affairs, the integration of the State and AID bureaus for Latin America, and the active use of the interdepartmental IRG/IG structure in that region. It may also be accounted for by the fact that (again, until recently) substantial resource-related programs were involved in many countries of the region—bilateral economic project and program loans, technical assistance, military aid, Peace Corps programs, food aid, exchange programs.

The CASP papers analyze the country situation, relate it to U.S. interests and objectives, and propose programmatic actions and resource levels required to support those interests and objectives. The papers are developed by the Country Team under the Ambassador's direction, and reviewed by the Interdepartmental Group chaired by the Assistant Secretary of State or one of his deputies. Representatives of OMB and NSC are invited to participate in these reviews. The Assistant Secretary issues an approved CASP which is supposed to

serve as guidance to the agencies in preparing the program and budget requests. However, *there is no institutional process for review of CASPs at higher levels of the State Department or NSC system*, nor for monitoring the consistency of agency budget requests with CASP guidance. Informal review by the Seventh Floor (Policy Planning Staff) and informal working relationships between the OMB examiners and ARA planning staff provide some operational support. Working relationships between ARA staff and the individual agencies are the principal channels for follow-up. ARA has referred, at least in one case, a major unresolved issue to other NSC bodies. A dispute over the military assistance levels was taken to the Security Assistance Program Review Committee last year, but the issue was ultimately resolved at The White House.

PARA is a similar, largely narrative country policy-program analysis paper which is being tried in other regions. However, the PARA papers are reviewed by the planning staffs in the regional bureaus and circulated to other agencies for comments: unlike the CASP, they are not necessarily reviewed by the IG (interdepartmental group), though they may be in some cases. The PARA process reportedly has been of some value in the African Affairs Bureau, particularly in introducing more realism into analyses of U.S. objectives and resource requests from field units.

3. NSC COUNTRY PROGRAM STUDIES

Another manifestation of country program analysis occurred in the early years of the Kissinger NSC system. According to one of the originators, the *idea was to provide a comprehensive analytical framework for considering U.S. policies toward countries and regions*, rather than having those policies result from a fragmented analytic and decision-making process.

Country program budgets, arraying U.S. and host country budget expenditures by functional categories, were initiated for a few selected countries, generally those where several relatively large resource transfer programs were involved. They were intended to provide a basis for identifying and analyzing fundamental issues about U.S. strategies and relationships with the host country (*i.e.*, divergent priorities; U.S. capabilities to affect outcomes). However, only three country program budgets were actually completed (Vietnam, Thailand, and Brazil) and none was seriously reviewed within the NSC system.

Some of the information and sophisticated analyses which were generated from the country program budgets apparently were used by Dr. Kissinger in supporting policy positions on immediate or near-term issues that occupied his attention, but as one analyst noted, the top policy makers had

little interest in (or time for) focusing on fundamental longer-term questions.

In addition to the country program budgets, several very detailed country studies were also prepared under the direction of the NSC Program Analysis Staff. Brazil, Korea, Thailand, and Turkey were among the studies which were completed by inter-agency working groups. Of these, only one (Korea) was fully reviewed in the NSC system and resulted in significant Presidential decisions on a package including U.S. troop levels, and security, economic, and food aid programs. Possible reasons why the Korea country study made its way to the top policy-making level and apparently provided a useful framework for decision-making were: (a) there was substantial potential for trade-offs among relatively large assistance programs and U.S. troop levels; (b) the key issue of concern to policymakers in Korea (defense posture) was not crisis-generated (as in Southeast Asian countries); (c) Congressionally-imposed budgetary pressures forced reassessment of a previously established five-year program for Korea.

The Brazil country study was reviewed within the NSC system at the Senior Review Group level, but no significant actions resulted, at least in part because the principal choices posed by the analysis centered around development assistance levels, an issue which had been overtaken by changes in Brazil's economic situation by the time the study was completed.

Although individual analysts were able to convey to their agencies some of the information and insights gained from the country program budgets and studies, where they may have provided useful background for consideration of current issues, *the NSC country program analysis effort did not become an institutional process for bringing basic country strategy issues to top-level decision-makers.* With the exception of Korea, the great amount of effort which went into the studies proved marginally useful for policy formulation.

The studies were not conceived of as part of an NSC-run PPB process, according to a former Director of the Program Analysis Staff. They were intended primarily for analytical rather than coordination/control purposes, and therefore were not tied directly into the budget process.

4. SOME LESSONS LEARNED

There are few who would argue that *foreign affairs programming has had a major effect on the formulation or conduct of U.S. foreign policy.* The reasons go beyond the bureaucratic conflicts, mismanagement, and amateurishness of some of the efforts, and beyond the absence of leadership interest or PPB capabilities in the State Department. And although it is

reasonable to argue that PPB was never fully or properly carried out in this area, there are a number of factors which suggest that its potential utility for central policy formulation is inherently limited. It may be most useful, however, for coordination and management of policy implementation at lower levels.

(a) *Program analysis must be tied to decision-making if it is to be effective.* A problem in foreign affairs is that PPB may not be relevant to many of the issues that concern decision-makers. At a minimum, it is clear that foreign policy decision-makers have not perceived the relevance of PPB systems for their principal concerns. Many foreign policy issues are not primarily resource or budgetary issues: mediating conflicts, negotiating new international roles and procedures for global trade and monetary systems, the use of the oceans, for example. Some may not require immediate or near-term budget decisions, though they may have longer term resource and budgetary implications. Many foreign policy decisions must be made quickly, on problems which arise from externally-caused events which cannot be controlled by the U.S. government or programmed into a cycle. PPB cannot be used to handle crises, and much as we may wish it otherwise, a heavy component of foreign affairs is crisis-management.

(b) Foreign policy is also an area where it is *difficult to determine clear policy goals* because of the complexity, uncertainty, and degree of change in the international environment. Nor have foreign policy-makers found it easy *to define their objectives in terms of programs.* (One of the great frustrations of CCPS programmers was the difficulty of extracting from policy papers objectives which could be meaningfully related to program activities.) Moreover, the difficulty in defining objectives makes it *difficult to evaluate the outcomes of programs.* Even where resource inputs can be related to definable or tangible objectives, *U.S. activities may be only marginal to the outcome*—e.g., the effect of a bilateral aid program on economic growth or reform in an LDC; the impact of USIA programs on the attitudes of opinion elites. Measuring outcomes of U.S. programs where the variables are out of U.S. control is virtually impossible.

(c) *Neither the country nor the agency provides an adequate basis for dealing with most major foreign policy issues.* Although there was (and perhaps still is) general agreement that the country is a logical unit for foreign affairs programming, the important foreign policy issues today with few exceptions cannot be resolved in the context of U.S. relations with a specific country, or regional grouping of countries.

In the 1960s, when U.S. policy objectives centered on internal development and security in the developing nations, and on the maintenance of

security alliances around the world, country program issues may have been of more significance to policy formulation. But country program decisions have become primarily parts of international negotiating strategies on the major issues of global interdependence. Bilateral resource-related programs are tactical bargaining chips in diplomatic games played in much wider arenas than the individual country. And in the shifting world economy, access to other countries' resources may be far more important than anything U.S. government programs can offer in the way of resources. Those individual country issues which are of critical significance to the policy-maker (e.g., relations with China, the USSR) are political and strategic, and not particularly susceptible to program analysis. Country programming, however good the analysis and coordination it generates, is likely to be of secondary interest to top policy-makers because the issues which occupy most of their concern and attention are not and cannot be handled in that context. Similarly, there are few important foreign policy issues which fall entirely within the domain of one agency, or even solely within the foreign affairs community. Many have important domestic implications, and involve many parts of the federal establishment. Agency-based PPB systems can sharpen internal management, but they have little to do with analysis or decisions on the bulk of foreign policy issues.

(d) *Programming systems have some potential for strengthening coordination and control of foreign affairs particularly at country or regional levels, if they are linked directly to the budget process.* The coordination of policy implementation by diverse agencies can be conducted more effectively when tied to the enforcement powers inherent in the budget process. That was not accomplished in the various evolutions of country programming. Similarly, there was little involvement of State or NSC in the agency-based PPB system initiated by the Budget Bureau. In addition, the linkage of program analysis with the budget process was hindered by the difficulties of defining outputs in foreign policy, and in making the crosswalk between program decisions and the various budget appropriations categories.

(e) What *positive impact* has foreign affairs programming had, then, and what is its potential?

First, *country programming is a useful information and management tool for those Ambassadors who want to get a handle on the activities of other U.S. agencies in their assigned countries.* Although his ability to effect trade-offs is limited, an Ambassador can use the information and analysis to buttress (or challenge) proposed program and personnel levels of Mission components. Despite its cumbersome mass of data, CCPS/FAPS was regarded as a useful management information device, and an action-forcing process,

by several Ambassadors in both developed and developing countries where large and diverse U.S. programs were involved. (The most serious shortcoming of the system which the managerially-oriented Ambassadors found, however, was that the regional bureaus at State had little capability to support their program recommendations in Washington. While they could exercise their authority to the utmost over all agencies in the field, the Ambassadors could not count on State to fight their bureaucratic battles for them in Washington.)

Second, *foreign affairs programming does improve analysis and decision-making on those issues which are within its ambit.* It forces an explicit review of the relationship between objectives and the resources necessary to support or advance them, and hence encourages more realism in defining objectives and planning strategies. By bringing to bear a collective focus (in the Country Team or in the IG) on the issues, it builds a more extensive knowledge base among the agencies and perhaps fosters more informed and coordinated judgments by policy-makers. The PPB process can also permit divergent views to be considered and debated.

Finally, periodic attempts to relate programs to objectives can *force articulation and review of policies.* Questions about program effectiveness and resource requirements usually lead to some questioning of the priority or value of the policies they seek to address. One State Department official remarked that CASP and PARA reviews were as much discussions of policy as they were of programs. (While policy reviews can be conducted without a PPB process, they may be mushier, less frequent, and less disciplined than if they occur periodically in the framework of a needs or efficiency test.)

IV. A UNIFIED FOREIGN AFFAIRS BUDGET?

The concept of a unified foreign affairs budget is clearly related to the concept of foreign affairs programming. An analytic capability for assessing programmatic trade-offs suggests the need for a budget structure which permits such trade-offs. Advocates of a unified foreign affairs budget ask how there can be effective coordination of foreign policy without some central control over the budgets for all foreign affairs programs.

Unlike the defense area, where there was a clearly defined defense budget relating to a corresponding appropriation process even before 1961, *there is no integrated budget for foreign affairs programs.* Similarly, there is no unified department with a single official responsible for all programs, as in the Department of Defense. The International Affairs section of the

Federal Budget (Chapter 5) is not comprehensive (in the sense that all international activities or all programs which support foreign policy objectives are included), nor is it presented to the President and the Congress by the Secretary of State in support of a foreign policy "posture statement". Foreign policy-related budget items are scattered throughout the appropriations requests of dozens of agencies subject to the jurisdiction of numerous Congressional committees.

The development of an integrated foreign affairs budget would presumably centralize coordination and authority both within the Executive and the Congress. Proponents maintain that a single foreign affairs budget, perhaps organized along country lines, would make program analysis meaningful by facilitating cross-agency trade-offs among programs directed toward achievement of similar objectives. It might assure that a higher level of priority and support is given to foreign affairs programs carried out by agencies whose primary functions are domestic. Perhaps most importantly, it has been argued* that budget decisions can profoundly affect policy; a less fragmented budget decision process should contribute to a more coherent foreign policy.

A number of problems, however, call into question the feasibility and value of a unified foreign affairs budget. Some of these are:

—*What should be included?* A narrow range of foreign affairs programs would include programs already subject to State coordination. A broader spectrum, including programs of agencies which are not subordinate to State, would perhaps give more options for trade-off, but it would be difficult to determine whether to include programs (or which parts of programs) that serve multiple objectives. Pulling some foreign policy-related programs out of their functional contexts might detract from, rather than highlight, the relationship between domestic and foreign policy considerations involved in the budget decisions. Moreover, how should programs in the Defense budget which impact on foreign policy be incorporated in a unified foreign affairs budget?

—*Where should central control be vested?* The State Department? The NSC? There might be great resistance from agencies which stand to lose budget authority over programs they administer, and which in some cases may be directed by statute primarily toward non-foreign policy objectives.

—It is feasible to centralize budget authority over foreign affairs budgets within the Congress? Many

*Henry S. Rowen and Albert P. Williams, Jr., "Policy Analyses in International Affairs," in *The Analysis and Evaluation of Public Expenditure: The PPB System*, Vol. 3, U.S. Congress: Joint Economic Committee, 1969.

observers doubt that fundamental jurisdictional changes are possible.

—Neither the State Department nor the NSC staff presently has the *capability* for central coordination of the foreign affairs budgets of other agencies. Nor has State (or NSC) demonstrated a high degree of interest in performing that function. There is some sentiment in State, for example, that undertaking the "management" of foreign affairs programs would be a diversion from what some perceive to be State's primary function, "managing" diplomacy.

—*The potential payoff is limited.* The capabilities of most foreign affairs programs are not interchangeable or competitive, and central budget control will not necessarily improve effectiveness in achieving objectives. More fundamental is the fact that, except for foreign aid, dollars are not closely tied to foreign policy. *The "big issues" are not budgetary issues, nor are they generally issues in which tradeoffs can be made solely in a foreign affairs context.*

Virtually all of the persons interviewed felt that a unified foreign affairs budget would have limited utility today, and most felt it was not likely that a corresponding Congressional appropriations process would be feasible even if an Executive Budget presentation were developed.

Some of the objectives of a unified foreign affairs budget might be advanced, however, by measures short of a major structural change in the Budget.

Coordination. The President could direct that State (or NSC) play a coordinating role through active and regular participation in the budget process for programs of other agencies which have significant foreign policy consequences. Although this occurs to some extent now for the traditional foreign affairs programs (e.g., AID, MAP) there could be close coordination with OMB in identifying and reviewing relevant agency budget requests, in making recommendations to the President, in supporting those requests which are approved by the President on the Hill, and in monitoring agency allocations of appropriated funds for those programs. (Greater participation by State in the budget process might also enhance its ability to carry out its assigned responsibility for controlling overseas personnel levels of other agencies.)

What is important to give this central budget coordinating role substance is (a) clear support of the President; (b) a capability to review, analyze, and monitor other agencies' programs and budgets on a regular and timely basis; and (c) the willingness of the coordinator to exercise his authority over the other agencies' budgets.

Several efforts were made by the Budget Bureau in the 1960's to review foreign affairs agencies' budget requests with the Under Secretary and Regional Assistant Secretaries of State prior to making

final recommendations to the President. A similar effort was attempted in the FY '70 budget cycle to review foreign affairs agencies' budgets in the Senior Interdepartmental Group (SIG) and the regional IGs. One-time meetings, late in the cycle, with little or no staff work by State, however, did not prove fruitful.

Delegation. In an extreme form, the President might delegate authority to the Secretary of State, for example, to approve, prior to submission to OMB, the level and composition of certain agency budget (and personnel level) requests within the constraints of Presidentially-established fiscal ceilings.

Perhaps the most clear-cut example of tight coordination and control through the budget process was the role played by the Mutual Security Director in the 1950's. All aid appropriations requests by operating agencies were coordinated through the Director, who had a small staff which worked closely with the Budget Bureau. As Schelling notes, a high degree of coordination occurred precisely because the Director was put directly at the center of the budgetary process.

Executive Flexibility. More effective coordination of foreign affairs budgeting within the Executive Branch might facilitate trade-offs among programs in the President's budget, and give the coordinator a higher degree of control over what goes up to the Hill, but under the present fragmented appropriations structure and process, *once appropriations are enacted, little flexibility exists for transfer of funds within and among programs.* Restrictions in much of the foreign affairs authorizing and appropriation legislation sharply limit the Administration in the use of funds and in making transfers among programs or countries. Flexibility in administration of the budget, therefore, would be limited even with central budgetary coordination in the Executive.

The breakdown of consensus on foreign policy between the Congress and the Executive in recent years, the growing (successful) use by Congress of the money power to constrain the power of the President in the foreign policy area, and the vested interests of Congressional Committees in retaining their fiefdoms suggest that *Congress is unlikely soon to grant greater discretionary authority to the President over foreign affairs appropriations.* Although the Executive's ability to control the pace of implementation (e.g., arms deliveries) can be utilized in some instances, it is the ability to make trade-offs and shift funds without seeking new legislative authority or appropriations which—from the Executive Branch perspective—is needed to “manage” foreign policy effectively—to respond flexibly to changes in negotiating conditions, unforeseen international events, and the numerous uncertainties which characterize international affairs.

V. SOME OBSERVATIONS AND SUGGESTIONS

While the budget process may not be a central vehicle for decision-making in foreign policy, and programming systems may have limited applicability to many foreign policy issues, they can contribute to the quality of analysis and decision-making, and to more effective coordination and control of foreign affairs programs.

The thesis of this section is that the *most important need* of the President and his advisors at the *central foreign policy level* is for improved analysis and decision-making processes, while the most important *need at the country and regional levels* is for better program management and coordination of policy implementation. At the central level, more effective use of the budget process and OMB may be useful. At the country and regional levels, clearer assignment of responsibility and the use of a programming system linked more closely to the budget process could help to improve implementation.

1. THE CENTRAL LEVEL—POLICY ANALYSIS AND DECISION-MAKING

This paper will leave to others the question of whether the National Security Council, the State Department, or some new White House entity with broader scope should have responsibility for coordinating foreign policy formulation within the Executive Branch. Wherever it is performed, that function must meet the needs of the President, and perhaps the *most important need of the President today* is for improved information, analysis, and decision-making frameworks for dealing with the increasingly critical issues of global interdependence which cut across almost all areas of governmental concern: energy, food and population, orderly monetary and trading systems, use of space and oceans, narcotics, etc.

Both the formal (e.g., NSC system) and informal (e.g., President Johnson's Tuesday lunches with the Secretaries of State, Defense, and his Assistant for National Security Affairs) coordination processes for foreign policy used by different Presidents in different ways have been suited primarily to the integration of diplomatic and security considerations. Major issues could be (and have been) debated, analyzed, and decided within a small group of foreign policy/national security advisors with relatively little participation of others in the Executive branch. The delineation between domestic policy and foreign policy decision-making has been fairly sharp, with informal coordination occurring on an *ad hoc* basis, perhaps most often on issues where special interest groups are affected (e.g., investment and trade policies).

Those processes and procedures no longer ap-

pear adequate. Today, many of the major international issues are also critical domestic issues. They cannot be pigeon-holed neatly into processes and mechanisms which were not designed to take into account the complex economic, technological and environmental inter-relationships of a shrinking global society.

Good analysis requires that all significant implications of policy alternatives be taken into account. Similarly, decision-makers are well served if the positions of all parties with significant interests in an issue are available to them. The inter-relationships of issues and problems have become increasingly complex, so that decisions taken in one context often have important implications for other policies and programs.

Budgetary decisions taken in other contexts can restrict or widen the options available for foreign policy. For example, a decision to build stockpiles of one commodity to stabilize prices might create an option to use food aid for negotiating leverage at some future point, while a decision to reduce stockpiles of certain raw materials might deny us negotiating leverage in another situation. Decisions made in the defense budget to develop a particular weapons system may increase our capacity to respond with credible military pressure to some future threat; development of another weapons system may hinder arms limitation negotiations. Conversely, foreign policy decisions may have significant budgetary implications. A decision to negotiate technical cooperation agreements as part of a diplomatic bargain might require substantial expenditures by non-foreign affairs agencies which had not budgeted for such contingencies. A decision to restrict foreign investment in U.S.-flag airlines on national security grounds may require that the Federal Government provide direct subsidies or special tax incentives to keep those airlines operating. Numerous examples can be cited. While it is possible that these kinds of considerations are usually taken into account, the relatively *ad hoc*, unstructured decision-making process for global management issues, and the relatively limited interaction between State/NSC with OMB on non-foreign affairs budgets suggests that gaps may exist. The issue is how to assure that there is adequate foreign policy input in non-foreign affairs budget decisions, as well as adequate consideration of the implications of foreign policy alternatives for the programs and budgets of non-foreign affairs agencies.

Better integration of the foreign policy and non-foreign policy components in the analytic and decision-making processes is primarily a function of attitudes and the management of decision-making processes. Decision-makers must recognize the importance of cross-cutting analyses and be willing to deal with the issues they raise. Assuming the will is there,

measures well beyond the scope of budgeting and programming are likely to be most relevant. Nevertheless, efforts can be made to build into the decision-making framework:

- systematic approaches for identifying fiscal considerations which may affect the capacity to sustain foreign policy choices, as well as the implications of decisions taken in non-foreign affairs contexts for foreign affairs policies, programs and budgets (and vice versa).
- improved staff capabilities for framing and analyzing issues which involve a wide range of functional areas.
- ready availability of basic data needed for analysis of global issues.

Some suggestions which might help meet those needs follow.

(a) *Provide for more systematic interaction between the foreign policy decision process and the budget process:*

(1) *The Budget Director should be regularly represented in the foreign policy decision process.* OMB staff should participate at various levels of the NSC structure, or any new inter-agency structure which may be established. The OMB role should be to help assure that:

- broad fiscal and economic considerations are factored into assessment of policy alternatives;
- a “needs” test is applied to policy alternatives where appropriate;
- cross-government implications of alternatives are identified;
- consideration is given to the feasibility of and choices for, implementation of complex policy decisions (i.e., how functions and roles are to be divided among agencies, what funding, legislation or administrative actions will be required).

*Regular participation in the foreign policy process by OMB should bring to bear a detailed awareness of policy, program, and legislative issues throughout the government, a special expertise in fiscal analysis and economic “costing” of alternatives, and a “neutral competence” which Hugh Heclo has called “a quality of impartiality to be set against other, more sectional appeals in government.”** OMB’s position as the President’s institutional arm for budget control, legislative clearance, and organizational matters across the entire spectrum of government gives it access to information and insights which undoubtedly can contribute to integrated analysis of the major cross-cutting global issues.

(2) *The central foreign policy coordinating staff should participate in the budget process on a regular and timely basis for all programs which have international implications.* Their positions should be taken into account in the Budget Director’s recommendations to the

*“OMB and the Presidency—the Problem of ‘Neutral Competence’”, in *Public Interest*, Winter 1975, p. 81.

President. Such participation would help the central staff to:

- be aware of potential foreign policy problems or issues which could arise from actions taken by non-foreign affairs agencies;
- make an input on program and budget decisions for non-foreign affairs agencies.

Staff capability should be developed to evaluate and monitor the impact of agencies' programs and budgets on foreign policy issues, as well as to consider the implications of foreign policy options for domestic policy issues and programs. Analysts with functional expertise and experience outside the traditional foreign affairs and national security areas should be recruited.

The central foreign policy coordination staff should maintain close working relationships with OMB staff. Because OMB has institutional responsibility for budget oversight across the government, OMB examiners can get into the details of a wide range of issues. The central coordinating staff should tap that source of knowledge and contacts rather than attempt to duplicate it. The dimension the central staff should add is the capacity to relate those other governmental issues to foreign policy concerns, and to undertake more intensive, longer term analyses than OMB examiners generally have time for.

(b) Use appropriate checkpoints in the budget process for specialized analyses and periodic monitoring of cross-cutting relationships among foreign and domestic programs.

(1) Functional Special Analyses should be included in the Budget annually on major cross-cutting issues (e.g., energy, food), but they should be prepared and reviewed prior to agency budget decisions, not after.

(2) A Special Analysis for International Affairs, to include all international-related programs. Programs of domestic as well as foreign affairs agencies, as Allen Schick has suggested, should also be prepared annually to facilitate more integrated analysis. If, under the new Congressional budget process, the Senate and House foreign policy committees are given review and comment authority for all budget items affecting foreign policy, there should be substantial incentive for the Executive to improve its comparable oversight capacity.

Special Analyses today are used essentially to present data in certain categories after decisions are made. They are not analytic tools for decision-making. They might be analytically useful, however, if they were developed early enough so that review of cross-cutting functional issues could be undertaken *before* final decisions are made on agency budgets. Such analyses *should include relevant "off-budget" programs (e.g., Export-Import Bank—which goes back "on-budget" next year) and "tax expenditures" (e.g., foreign tax credits) which might be compared to direct expenditures. Such analyses would facilitate consideration of potential trade-offs within functional categories.*

Some internal efforts may need to be made within OMB to improve cross-program coordination and to strengthen its capacity to develop more useful Special Analyses.

(3) "Impact assessments" for certain cross-cutting issues might be required at checkpoints in the Executive budget process to assure that the implications of proposed actions for areas which might not be routinely considered are surfaced, and that any significant issues are debated before action is taken. These assessments could be included not only in the materials prepared for the Budget Director and for the President in the Fall Budget review, but they could also be required at Spring Preview and when proposals for supplements, legislation, or new programs are made at other times during the year in areas where there are important international-domestic policy inter-relationships. The assessments might be required of the proposing agency, with review by OMB, before the issue is presented to the President. Alternatively, OMB could serve as a "traffic cop", routing proposals to other appropriate agencies (e.g., State or NSC staff for proposals originating from domestic agencies) for their assessment of impact. Or OMB might itself prepare "impact assessments" in consultation with appropriate White House staff or agencies. The central foreign policy coordinating staff should review these assessments and have an opportunity to make an input to nonforeign affairs decisions where appropriate.

Such assessments can become exceedingly burdensome if the criteria are not well-defined. *The requirement for assessments should be limited to those proposed actions which could have significant effects on issues which are of high importance for the President and his central policy advisors. If the criteria are well-defined, however, a formal OMB requirement of this kind can provide a useful check on "narrow vision" proposals coming out of either the foreign affairs or domestic departments and agencies. It should help decision-makers to be aware of all relevant costs and consequences of policy alternatives in these complex areas.*

(4) "Implementation analyses" for cross-cutting issues might also be required at key checkpoints in the budget process. Such analyses might surface consideration of:

- alternative ways of dividing functions and authorities among agencies to carry out policies, staffing capabilities and requirements;
- legislative or administrative alternatives for achieving the same purposes;
- possibilities for using multilateral or nongovernmental channels as alternatives or supplements to proposed actions;
- need for new organizational mechanisms or procedures to carry out policies.

The requirement for "implementation analyses" also should be utilized sparingly for those issues where

it is important for the President and his principal advisors to take these kinds of questions into consideration. And again, OMB could review such analyses prepared by the proposing agency, request other appropriate agencies to prepare such analyses (to set up a kind of bureaucratic adversary proceeding), or prepare such analyses itself.

(5) *Selected PPB studies should be generated by the central foreign policy coordination staff in cooperation with OMB staff, with the resulting analysis and decisions cycled into the budget process as appropriate.* Although PPB systems generally have not proven to be of much value for foreign policy decision-making, there is little reason to doubt that the application of PPB techniques—systematic analysis, forward year planning, multiyear programming—can contribute to sharper analysis of those foreign policy issues which involve multiple objectives and potential resource trade-offs.

An extensive programming system should not be required at the central level. A highly selective use of PPB analyses, concentrating on longer-term, priority issues of concern to top decision-makers, could contribute to more effective decision-making by providing data, analysis, and a framework in which the President and his principal advisors can come to grips with important strategic issues. Less directly, PPB studies can provide useful background information for handling related problems of a more immediate or crisis nature (e.g., a long-term analysis of options for meeting energy shortages might provide data relevant to consideration of the U.S. response to imposition of a new oil embargo).

These studies should be developed and the terms of reference framed by the central policy coordination staff to assure that they will serve the needs of the top policy-making level. Relevant agencies should participate in the studies, but staff capabilities may need to be increased in State and other foreign affairs agencies to handle the kind of sophisticated economic, technical, and scientific analysis that will be required. Greater use of non-governmental specialists may be necessary to supplement government expertise and perspectives in some functional areas.

(6) *The central policy staff and OMB should coordinate an effort to improve the Federal Government's capacities to collect, process, and analyze global data relating to the increasingly central issues of interdependence.* Information on such subjects as basic materials capacity, prices, and trends; environmental quality indices; technological developments; investment flows, monetary transactions and profit remittances of multinational corporations, production and marketing of drugs, etc., is essential for the kinds of studies discussed above. More priority must be given to identifying critical gaps in information, improving methods to collect relevant data, and making coordinated efforts to process and disseminate

data within the government to those who need it for analysis.

2. REGIONAL AND COUNTRY LEVELS—POLICY IMPLEMENTATION

Decisions on most major foreign policy issues are made at the central policy level (the President, NSC, Secretary of State). Decisions about foreign affairs program levels and compositions are made primarily at an agency level (subject to guidance and review by OMB, and in some cases, NSC and State.) However, much of the information and assessment which feeds into those decisions is generated at the country and regional levels (Embassies, regional bureaus, IGs), and much of the task of policy implementation is carried out at the country and regional levels through bilateral diplomacy and programs, or through regional organizations and arrangements.

If this general characterization is reasonably accurate, it suggests that some of the *key functions which need to be performed at the regional and country levels are*

- collection and analysis of information on conditions and developments in other countries and regions; assessment of interests, capabilities, policies of other countries and of their relationship to U.S. interests and objectives;
- maintaining consistency between U.S. global policies and U.S. objectives, capabilities, and programs at regional and country levels;
- management and coordination of U.S. programs at country and regional levels to maximize efficiency and effectiveness in support of policies.

As suggested earlier, there should be little illusion that a country-based foreign affairs programming system is likely to flush up or help resolve many of the high priority foreign policy issues which capture the time and attention of top policy makers. However, *country programming can help to improve implementation of policies made in broader frameworks.* The requirement for annual country papers can help to sharpen analysis of the relation between U.S. objectives in a country or region to U.S. global policies. The CASP experience suggests that periodic interagency discussions of U.S. interests and objectives, country situations which affect them, and program alternatives tend to encourage more disciplined and realistic assessments, increase the common knowledge base, and foster better communication at working levels.

The CCPS and CASP experiences also suggest that a country programming system can be *useful for Ambassadors who want to manage and coordinate the various components of their Missions.* The effectiveness of Ambassadorial management and coordination in the field, however, is *limited by the absence of strong leadership in carrying out the management and coordina-*

tion role at the country and regional level in Washington. And it is Washington where agency program and budget decisions are made.

A key question, then, is where in Washington should responsibility for management and coordination of foreign affairs programs at the country and regional levels be vested, and how can it be exercised effectively? This probably is not a function which should be performed by the central policy coordinating staff, where the orientation generally should be on analysis and decision-making on global rather than country issues. (The lack of attention to the NSC country program budgets and studies in the early 1970s suggests that this is not a function which will get high priority at that level). Nor is it a function which should be performed by OMB (though its cooperation is essential) because it does not have sufficient substantive foreign policy responsibility or capabilities.

Despite some reluctance in the Department to assume that responsibility, the *locus for operational program management and coordination logically should be the State Department*, and particularly the regional bureaus of the State Department. The President will have to make clear that he expects the Department to perform that function, and to more clearly delineate its responsibilities and authorities. Staff capability for program analysis and coordination should be strengthened in the regional bureaus, and a country programming system (such as the CASP) should be given more teeth by tying it directly to the budget process.

Some steps which might be taken include:

1. *The President should explicitly assign responsibility to the Regional Assistant Secretaries of State, through the Secretary, for effective and efficient management and coordination of all U.S. government programs (other than military commands) in their regions.*

2. *Country and regional program analyses should be prepared annually and reviewed by the interdepartmental*

groups (IGs) under the direction of the regional Assistant Secretaries of State. They should include recommended levels (consistent with planning guidance to be provided by OMB), composition, and staffing of all Federal programs within their jurisdiction. Provision should be made for resolving disputed issues at higher levels (e.g., Under Secretaries Committee), but the President should make clear his expectation that country and regional programs approved by the Assistant Secretaries (or the Secretary if he so wishes) should be considered guidance by the relevant agencies in preparing their budget requests, and that the Budget Director should take them into account in the budget review process.

3. *Improved staff capabilities should be developed in the State Department, particularly at the regional bureau level, to analyze and monitor the programs and budgets of other agencies involved in foreign affairs activities.*

3. PLANNING AND FLEXIBILITY

In recent years, the budget process has become a more important instrument in balancing Congressional and Executive power in the area of foreign policy. From the Executive branch perspective, the requirement for annual authorization bills and the enactment of extensive and explicit restrictions in authorizing and appropriations legislation have hindered its planning and operational flexibility in foreign affairs. *Multiyear authorizations* would facilitate planning and permit other nations to have a higher degree of confidence in U.S. intentions and commitments. *Greater discretion to transfer funds* within and among programs, countries and regions would improve the Executive's negotiating flexibility and its capacity to implement policies in a changing and uncertain international environment. Before such changes are likely to occur, however, more consensus on the goals of our foreign policy, and a higher degree of trust between the Executive and the Congress must be achieved.

Congressional Use of Its Money Power to Control Foreign Policy

Allen Schick
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SUMMARY

Except for national defense, the budget is not the primary instrument for making foreign policy. In the international arena, trade policies, diplomatic relations, monetary actions, and other decisions tend to be outside the budget process, though they impact on the budget to the extent that funds are required for implementation. The budget process excels as a short-term response to interest group pressures and as a stabilizer of governmental policy. It is less suited for instances where the interests are remote, the policies impact on the distant future, or when departures from past actions are desired.

Despite these limitations, the budget process is an important vehicle of foreign policy for Congress, which has four opportunities for making money decisions. These are its taxing power, the appropriations process, authorization procedures, and the new congressional budget process. In considering proposals to improve these processes, it is vital that the diffusion of legislative power and the ability of Congress to act as a check on executive power be preserved. Merely replicating the characteristic virtues of the executive branch will produce neither an effective Congress nor good budgeting.

(1) The new congressional budget process established in 1974 will not operate as a control over the executive branch but rather as a mechanism for the determination of overall budget amounts and national program priorities. The priorities will be set in terms of functional classifications, one of which will be for international affairs. A key question is whether the present functional structure is best suited to highlight the relationships—particularly in the economic sphere—between foreign and domestic issues. A functional structure in which the “international affairs” category is restricted to the

conduct of foreign policy and other purely international matters would allow programs cutting across domestic lines (such as food or energy programs) to appear in the same category. To provide a comprehensive view of international programs, it would be appropriate to expand the authority of the two foreign policy committees with regard to the views and estimates submitted by March 15 of each year to the House and Senate Budget Committees. For example, as part of their March 15 reports, the House International Relations and Senate Foreign Relations Committees could assess the impact of American agriculture policy on international food supplies. The two committees could consider the foreign policy implications of defense spending, a matter concerning which they now have almost no involvement.

(2) Taxation no longer is an important feature of foreign policy—customs duties constitute less than two percent of Federal receipts—but it is important to sensitize Congress to the impacts of its tax actions on international issues. A useful step in this direction is the publication of tax expenditure data by functional category. Additional improvement might be achieved through the referral of tax legislation to the International Relations and Foreign Relations Committees, the prior authorization of tax legislation, and the consideration of tax expenditures in conjunction with direct expenditures.

(3) Since World War II, there has been a trend toward the annual authorization of international programs so that the State Department, military procurement, NASA, USIA, and the Maritime Administration now operate on annual authorizations. This annual process delays the consideration of appropriation bills six to eight months or more beyond the start of the fiscal year. As an alternative to annual authorizations, Congress might convert to a multiyear cycle (such as is now used for most Federal grant programs), with the authorization

becoming effective only upon enactment of triggering legislation. Congress would retain its ability to check executive actions, but the delays caused by the current practice would be diminished.

(4) The role of the appropriations process has been substantially eroded by the advent of short-term authorizations and the new congressional budget process. Nowadays the appropriations process is little more than a second crack at matters previously considered in the authorizing legislation. With establishment of the congressional budget process, it might be appropriate to explore the "radical" possibility of combining authorizations and appropriations into a single process handled by one set of House-Senate Committees.

INTRODUCTION

Money is not the root of all foreign policy. America's role in international affairs is forged through numerous means, some of which have little to do with the receipt or expenditure of funds. When a policy can be carried out only through the commitment of substantial financial resources, the budget will be a primary instrument for making and implementing policy. This clearly is the case with regard to national defense, but even in this function the linkage between money and policy is imperfect. Thus, the official switch in the early 1970's from a "two and a half" to a "one and a half" war posture did not produce corresponding shifts in the defense budget.

The connection is much weaker when money is only incidental to the conduct of foreign policy. In the international arena, trade policies, diplomatic relations, monetary actions—even energy decisions—tend to be outside the budget process, though they impact on the budget to the extent that funds are required for implementation. If a comprehensive, forward looking, consistent foreign policy is sought for the United States, it cannot be achieved through the annual executive and legislative budget routines.

Nor should it be. The budget is a specialized and limited policy instrument. It subjects policy options to a "needs" test in which organizational strength and program advocacy are principal determinants of the outcome. The budget excels as a short-term response to interest group pressures and as a stabilizer of governmental policy. It is less suited for instances where the interests are remote, where the policies impact primarily on the future, or when departures from past actions are desired. No matter how comprehensive its coverage, the budget is made in pieces and it therefore invites a fragmented and inconsistent outlook. In budgeting, control is

more important than planning; routine triumphs over invention. The budget always is prey to domestic pressures, even more so than other policy-making processes. The temptation therefore is to cordon off foreign policy from the budget, but unless the policy does not depend on money or the domestic mood is favorable, the result is apt to be a gap between the proclaimed and the real policy. Such, for example, has been the fate of Project Independence: domestic support has not been forthcoming for the huge investments required for the realization of the Project's ambitious goals.

This does not mean that efforts to fashion the budget into a more effective instrument for foreign policy should be abandoned, but there are formidable limitations to what is likely to be accomplished. On the executive side, the abortive Planning-Programming-Budgeting (PPB) experiences of the 1960s demonstrated the mismatch between aspirations for change and the budget's proneness for continuity. In their case study of PPB's failure in the State Department—*Programming Systems and Foreign Affairs Leadership** Moshier and Harr chronicled the bureaucratic impediments to budgetary reform. The PPB episode cannot be written off to mistakes in implementation, though these exacted a heavy toll. The problem with PPB was the very system it tried to change. Budgeting does not bend easily to pressures for innovation.

It is for this reason that efforts to change, though doomed to no more than limited success, ought to persist. There must be a continuing push for broader perspectives, a more vigorous search of alternatives, and for using the budget process as a policy-making instrument. Otherwise, budgeting will become even more routinized and an even greater obstacle to policy. But remedy also will have to be sought through other channels, since foreign policy in the future will be made increasingly through nonbudgetary processes.

On the legislative side, the need for improvement derives from the tendencies toward fragmentation in the Congress. Congress has distinctive—if disorderly—means of its own for canvassing alternatives and deciding issues. Among those who have grown up with executive perspectives, there is a common presumption that the legislative process is a hodgepodge of inconsistencies. But to understand Congress is to appreciate the value of hearings, multiple points of access, redundant decisional processes. If the foreign policy issues of tomorrow will be fatefully intertwined with domestic matters, these congressional virtues will prove to be of great value.

In line with its dispersion of power, Congress has

*Frederick C. Moshier and John E. Harr, *Programming Systems and Foreign Affairs Leadership: An Attempted Innovation*, New York: Oxford University Press, 1970.

four opportunities for making money decisions. These are its taxing power, the appropriations process, authorization procedures, and the new congressional budget process. Congress also shapes foreign policy through its impact on loan and monetary policies, but this subject is not discussed in any detail in this report. The multiplicity of legislative decisional methods often produces inconsistencies, delays, uncertain outcomes, and substantial inconveniences for administrators who must deal with numerous committees. But it also means that policy is tested from a variety of vantage points, and that vital interests have a better chance to set forth the characteristics of an effective legislative process.

Before considering these four processes and their use for foreign policy, it is appropriate to set forth the characteristics of an effective legislative process.

I. TWO LEGISLATIVE IMPERATIVES

The things that the Executive Branch wants from Congress tend to be associated with good foreign policy. The President and other officials want flexibility for themselves and long-term commitments from Congress. They want broad grants of discretion, unfettered by fine-print controls. They want minimal legislative trespass into administrative operations and freedom to spend money without detailed legislative scrutiny. Moreover, they prefer to deal with a few Members who can speak for Congress on foreign policy issues rather than with a disarray of Members and committees competing for jurisdiction and power.

Not surprisingly, the Executive Branch wants a Congress made in its own (idealized) image. What is surprising, however, is that for many years Congress gave the Executive Branch what it wanted. Under the banner of bipartisanship, legislative participation and independence were compromised. Foreign policy was handled as a special case to which customary procedures or pressures were not applied.

The trouble with this executive preference is that it runs counter to the purpose of Congress as a legislative body which acts as a check on executive discretion and which diffuses political power. Congress exists to serve as a check upon the Executive and to give voice to many viewpoints. These are not mere conveniences for Congress but the political imperatives which justify its existence. To the extent that bipartisanship stripped Congress of these capabilities, its legislative effectiveness was diminished.

Congress cannot in any important matter be run

by an executive committee and still retain its legislative purpose. The comparative advantage of Congress *vis à vis* the Executive Branch is the sharing of power and the representation of diverse interests. These qualities, plus its role as a restraint on executive action, provide enduring answers to the perennial question "Why Congress?" When power is concentrated within Congress, its control function is apt to be ineffective. Thus the vesting of intelligence jurisdiction in a small, closed group inevitably meant that Congress would not have an active or independent role.

There is no optimal or "just right" sharing of power within Congress. Different times furnish different answers. Over nearly 200 years of operation, Congress has gone through a pendular pattern in which power has been diffused, concentrated, redistributed, etc. The willingness of Congress to place power in a few hands depends in substantial measure on the confidence it has in the President and on the ability of the President to dictate to it. A fragmented legislature goes hand in hand with legislative independence while a body in which power is concentrated is ripe for executive dominance. The current dispersion of power within Congress is partly a response to the weakening of executive authority. If there is a revival of Presidential fortunes, there might also be a realignment of power in Congress.

Even the most fragmented legislature requires a leadership structure in order to conduct its business. Congress has informal norms which reward specialization and reciprocity and these have the effect of making some Members and Committees dominant in particular policy areas. In recent years, there has been a strong push in the House of Representatives toward the breakup of its old power structures. In the Senate, the leadership has functioned primarily in a caretaker role for the past decade. In both the House and the Senate, the growing intermingling of domestic and international issues has brought more committees into the foreign policy orbit. It would be futile in either body to try to establish a single committee with exclusive jurisdiction over legislation affecting foreign policy.

In budgeting, the sharing of legislative power is promoted by the multiplicity of stages. Each of the four legislative processes identified above involves a different set of committees. One-third of the Members of the House of Representatives serve on either the Appropriations, Budget, International Relations, or Ways and Means Committee. Approximately two out of every three Senators serves on one or more of the corresponding committees in the Senate. In addition, many congressmen serve on other committees (such as Armed Services) which handle legislation affecting foreign policy.

Control means conflict and confrontation, for it clashes directly with the President's preference for freedom of action. Control runs to the particulars of policy: to its manner of implementation, not to its general shape. Moreover, the emphasis in Congress is on controlling current actions: telling the President "No" when he wants to act.

The budget process is well suited for this control role. It provides an annual opportunity for dictating the terms of executive conduct. By denying funds or restricting their use, Congress can deter the President from his preferred course of action. Congress can pinpoint its spending control to the particular actions it wishes to constrain or it can leverage its budget power to influence a broad range of foreign policy actions. By use of its budget power, Congress can write basic limitations into law. Because of his need for money, the President can do little to prevent congressional interference. While vetoes are a standby power, they are not a risk-free option for the President.

Congressional assertiveness in foreign policy has been stimulated by years of exclusion and frustration. The recent use of money power to limit American involvement in Indochina is a response to the impotence of recent years when Congress had almost no meaningful role in foreign policy. If Congress moves to control intelligence operations, that, too, will be a reaction to the long period of powerlessness.

Control and confrontation have characterized executive-legislative relationships during the 1970's. Divided political leadership and pervasive mistrust of the White House have whetted the congressional appetite for conflict. But neither Congress nor the President relishes perpetual collision. When the passions of recent times have cooled, we may look to a more balanced relationship which combines congressional independence with reasonable executive discretion.

II. THE CONGRESSIONAL BUDGET PROCESS

The Congressional Budget and Impoundment Control Act of 1974 (P.L. 93-344) established a new procedure for the consideration of money legislation in Congress. By May 15 of each year, Congress is to adopt a budget resolution recommending total revenues, spending, budget surplus or deficit, and public debt. The spending totals are to be suballocated among major budget functions such as national defense, international affairs, and some dozen other categories. This budget resolution would function as a target to guide Congress

during its subsequent consideration of tax, spending, and debt legislation, but it would not restrict congressional action on these measures.

Prior to floor consideration of the resolution, each House and Senate Committee is to report its views and estimates with regard to all budget matters in its jurisdiction. These reports are to go to the House and Senate Budget Committees which have responsibility for the new process. To assist Congress in its budget function, a Congressional Budget Office has been established.

After adoption of the May budget resolution, Congress will consider tax, spending, and debt measures in much the same manner as heretofore. The main change will be augmentation of the score-keeping process to keep Congress informed of the impact of its individual actions on the congressional budget. It is expected that action on regular appropriations will be completed by early September, prior to the October 1 start of the next fiscal year. During September, Congress is to adopt a second budget resolution, and at this point it may adjust any of the amounts in its first resolution and also set into motion a reconciliation process to conform money legislation to its latest budget determination. By means of a reconciliation bill (or resolution, in some cases), Congress would have the option to reduce appropriations, change tax laws, or make other adjustments.

Full implementation of the new budget process will begin in CY 1976, but a partial implementation is underway during the current year. The initial moves have concentrated on building up staff and informational resources for Congress, organizing the two Budget Committees and the Congressional Budget Office, and testing the new procedures.

At this early stage, it is not possible to foretell the full implications of the new process. Much will depend on the manner in which Congress implements the budget process and on the extent to which revenue and spending legislation are affected by it. But several features of congressional budgeting are inherent in its structure and these can be identified in advance of implementation.

First, the congressional budget process does not directly alter the traditional authorization and appropriation methods of Congress; the new process is added to these. Some adjustments will be made in the time-tables of the older procedures, but their basic roles will not be changed. Inauguration of congressional budgeting therefore will expand the number of participants in legislative money decisions as well as the potential for intra-congressional conflict over taxes and expenditures.

Second, the congressional budget process will not operate as a control over the Executive Branch, but rather as a mechanism for shaping legislative

decisions. The President will not be directly bound by the amounts specified in the budget resolutions. Congressional control still will flow primarily through authorizations and appropriations.

Third, congressional budgeting will have to operate at a fairly high level of aggregation, though it will not necessarily be confined to budget totals or functional allocations. Whatever method is used by Congress to inform itself concerning the composition of the amounts in its budget resolutions, the task of deciding particulars will reside in the appropriations and authorizations processes. This means that its new budget process will give Congress an opportunity to address broad policy issues. The legislative tendency to focus on the parts rather than the whole will be partly counterbalanced by the special function of the budget process.

Fourth, a unique characteristic of congressional budgeting will be the opportunity explicitly to consider national program financial priorities. The corodoning off of foreign affairs from domestic issues will be diminished as Congress makes annual decisions concerning the relative value of national defense, international affairs, and the other functions. Like it or not, Congress will have to decide defense versus health, health versus agriculture, agriculture versus international affairs, and so on. In times (such as the present) when domestic pressures are ascendant, the priority-setting process might induce Congress to take a short-sighted view of the international role of the United States.

From the perspective of foreign policy, two questions are foremost: What classification of functions is best suited for considering the foreign affairs budget? What arrangement is feasible for enabling Congress to assess international-related expenditures classified under domestic functions? The functional classification will determine the groupings by which Congress sets priorities. Functions will compete against one another for shares of the budget total, and within each function various programs will compete against one another for the functional allocation. But regardless of the functional classification, many programs with significant international impacts will be classified under domestic-oriented functions. It is a characteristic of modern government that important programs serve multiple purposes so that the utilization of any particular classification scheme precludes the appraisal of a program from the perspective of other objectives it serves. Short of an umbrella foreign affairs category, this function will not include many international related activities.

For this reason, the idea of a foreign affairs budget has questionable operational value. Whatever analytic gain inheres in a foreign affairs budget can be attained by a compilation of international-

related programs in the Special Analysis volume of the President's budget.

Functional classification. Until recently, the functional categories in the Federal budget had only informational status. They were not used in making budget decisions or in determining governmental priorities. All this has been changed by the Congressional Budget Act which converted the functional classifications into a decisional structure for Congress. In preparation for the 1976 budget, OMB revised the functional codes, but it did not take into account their new status for Congress. It is likely that further revisions in the classifications will be made by the time the congressional budget process is fully implemented.

International affairs is one of the 15 functions in the 1976 budget. It accounts for \$12.6 billion in new budget authority and \$6.3 billion in 1976 outlays. The outlays charged to international affairs amount to less than 2 percent of Federal spending. This category includes three subfunctions: foreign economic and financial assistance; conduct of foreign affairs; and foreign information and exchange activities. Military assistance is classified under national defense which also covers virtually all of the Defense Department except for its civil activities, certain atomic energy programs, and miscellaneous defense activities. Among the programs placed under international affairs are food for peace, the proposed special energy financing facility, and various economic and diplomatic programs.

In considering a revised functional classification, Congress has to decide between an "analytic" structure oriented to purposes and end products and a "standard" structure oriented to work and activities. An analytic structure would bring together all programs which serve a common objective and which, therefore, may substitute for or complement one another. Organizational location, appropriation accounts, and other standard criteria would be disregarded in designing an analytic scheme. An analytic functional structure would offer a different perspective, one which might otherwise be ignored in making program or money decisions. A standard arrangement, by contrast, tends to group programs into more familiar categories such as "education" and "health". Its main advantages are that it brings together programs that have been traditionally associated with one another and that its categories generally conform to the prevailing organizational alignment. But these advantages are bought at a high price, for the standard structure barely expands the range of policy analysis beyond what can be done in a conventional budget framework.

Both types of classifications would require a "crosswalk" between functions and appropriations.

But crosswalking would be much more difficult with an analytic classification because the disparities between functions and appropriations would be greater. The yet untried crosswalking techniques will be further complicated by the fact that both the functional categories and appropriation accounts are decisional structures.

My view is that Congress should restrict the international affairs classification to the conduct of foreign policy, some international assistance, and, possibly, certain military aid. Arguments can be made in behalf of retaining some military assistance under national defense or coding it to international affairs. It all depends on whether military aid is conceived primarily as a substitute for other forms of foreign assistance or as a means of bolstering the national defense of the United States.

My reason for restricting the international affairs category to purely foreign programs is predicated on the widespread assumption that future foreign policy issues will be impacted by domestic policies. This means that it no longer will be feasible to quarantine foreign policy from domestic issues and that the international posture of the United States will depend increasingly on its domestic actions. The best way to highlight this relationship is to merge international and domestic activities in the same function whenever pursuit of the international objective is critically dependent upon domestic actions.

Two current issues—food and energy policy—illustrate this approach. The present functional classification places P.L. 480 programs under international affairs. But the ability of the United States to pursue an international food policy depends on the domestic supply of food. The separation between our domestic and international food policies has encouraged the tendency to make agricultural policy overwhelmingly in terms of domestic considerations. The accidents of supply and demand make our foreign food policy for us. A more sensible course would be to foster a budget environment in which policymakers tackling agriculture issues are sensitized to the impact of their decision on the foreign policy of the United States.

A similar line of reasoning applies to U.S. energy policy. The ability of the United States to pursue a particular foreign objective is beholden to domestic supplies. If funds are budgeted for domestic energy exploration, the impact is directly felt on the nation's foreign policy.

In sum, it would be desirable to infuse the various domestic functions with sensitivity to the international implications of budget actions; and this can best be accomplished by utilizing a functional structure that breaks down the no longer valid distinctions between domestic and foreign activities.

Would this arrangement make expenditures for

international programs more vulnerable to domestic pressures? I think that the budgetary isolation of international affairs makes it an easy pick for budget cutters. By combining international-related and domestic programs in the same category, Congress will be better able to appreciate the vital link between the United States and the world.

Comprehensive view of international programs. I have argued that regardless of the classification, many significant international-related programs would have to be excluded from an international affairs category. If my proposal for a pure category were adopted, the exclusion would be even greater. How can Congress get a comprehensive view of the U.S. budgetary investment in international programs? Part of the answer might be a special analysis, as was suggested above. But a larger opportunity has been made available by the new congressional budget process.

As required in the 1974 Act, each standing committee of the House and the Senate is to submit its views and estimates on budget matters within its jurisdiction to the Budget Committee of its own house of the Congress. These March 15 reports are designed to assist the Budget Committees in their preparation of the first budget resolution. The letter of the law requires only that the various committees report on matters directly within their jurisdiction. In the case of the International Relations and Foreign Relations Committees, the reports will cover any permanent appropriations and (optionally) authorizing legislation for the next fiscal year. But these Committees do not comment on the foreign policy aspects of legislation handled by other committees. For example, they do not deal with the P.L. 480 program funded via agriculture appropriations.

It might be productive to give these two Congressional Committees review and comment authority for all budget matters affecting foreign policy. As part of their March 15 reports to the House and Senate Budget Committees, respectively, the International Relations Committee and the Foreign Relations Committee would assess the impact of agriculture policy on international food supplies, or the potential effects of offshore oil lease sales on oil import requirements. They would be able to consider the foreign policy implications of defense spending, a matter with which they now have almost no involvement. Because these reports would be channeled into the congressional budget process, they would have more operational value than annual "state of the world" reports for which no subsequent actions would be forthcoming. And they would have many of the advantages of a "foreign affairs" budget, but would not interfere with established budget structures and relationships.

III. THE POWER TO TAX

During its first 100 years, the United States generally used its tax power as an instrument of foreign policy. As late as 1876, customs receipts accounted for more than half of the revenue of the Federal Government.

At the present time, foreign policy appears to have little bearing on the tax structure of the United States. Customs duties now account for less than 2 percent of Federal receipts, and other foreign-related taxes (such as the international departure tax) bring in very small amounts of revenue. The oil import fee proposed by President Ford in his 1976 budget would realize almost \$4 billion, but there is little prospect for full implementation.

International relations are affected by tax expenditures—special exclusions, exemptions, or deductions from the normal tax rate. Tax expenditures reduce the liability of certain taxpayers and can be targeted to particular social or economic objectives. In accord with the Congressional Budget and Impoundment Control Act of 1974, the 1976 budget itemizes tax expenditures by major function. Approximately \$1.5 billion in tax expenditures are listed under "International Affairs", most of which is attributable to tax benefits for domestic international sales corporations (DISCs). Additional amounts related to foreign policy are classified under other functions. For example: benefits for Armed Forces personnel are listed under National Defense; exclusion of income earned in U.S. possessions is under Revenue Sharing; and oil depletion allowances are reported under Natural Resources, Environment, and Energy. OMB does not regard revenue losses attributable to foreign tax credits or the earnings of foreign corporations as tax expenditures; hence, these two features are not included in its list of tax expenditures.

As foreign policy becomes more closely intertwined with economic affairs, it would seem appropriate to consider tax policy as an adjunct of U.S. international relations. With establishment of the congressional budget process, Congress is likely to give more frequent attention to tax matters than in the past, though not with the same regularity that it addresses the spending side of the budget. Moreover, publication of tax expenditure data will stimulate interest in this once-neglected aspect of the budget.

There are a number of important limitations on the use of tax policy for the conduct of international relations.

First, tax policy can only reach taxpayers. Foreign corporations doing business abroad, non-Americans living in other countries, and other governments cannot be directly affected by U.S. tax laws,

though multi-national corporations, foreign subsidiaries of American corporations, and importers and exporters are within the reach of the tax system.

Second, it is likely that domestic influences will continue to dominate American tax policies. Even tax issues directly related to foreign affairs such as the foreign tax credit and oil depletion allowances are swayed by domestic pressures. In assessing a proposed tax action, Congress is much more sensitive to the domestic impact—its effect on jobs, Federal revenues, particular industries or firms—than to how it might bear on U.S. relations with other countries.

Third, aside from their general provisions ("the normal tax structure"), the tax laws are overwhelmingly particularistic. The Internal Revenue Code is a compilation of localized responses to particular pressures or problems. Judging from past performance, the writing of special provisions into the tax laws does not invite a broad policy perspective.

Fourth, stability is a desirable characteristic of the tax structure and a process which encourages more frequent revision might have unintended consequences. Zig-zagging tax policies would provide confusing and uncertain signals to firms, investors, and affected foreigners.

Fifth, international agreements might restrict the ability of the United States to offer certain tax benefits or to impose tax penalties as part of its foreign policy.

Federal tax legislation follows a distinctive route through Congress. It must be initiated in the House of Representatives where the Ways and Means Committee has virtually complete jurisdiction. Because of its claim to revenue producing (or changing) measures, the Ways and Means Committee has been able to extend its jurisdiction to much substantive legislation. Its tax jurisdiction is the source of the Ways and Means Committee's claim to trade legislation. A comparable situation prevails in the Senate, where the Finance Committee handles tax legislation.

Tax measures, unlike spending bills, do not require prior authorization by Congress. As a consequence, the International Relations Committee in the House and the Foreign Relations Committee in the Senate do not have any involvement in tax legislation affecting foreign policy. But because their tax jurisdiction entitles the Ways and Means and Finance Committees to related legislation as well, the substantive committees also are excluded from consideration of vital foreign policy legislation.

The questions raised by this arrangement go to the basic committee structures of the House and the Senate. One might argue that tax jurisdiction should not be so powerful a magnet as to attract authority over other matters. But the fate of the 1974 House Committee Amendments suggests the

difficulty of attempting wholesale shifts in jurisdiction. In the more limited context of tax legislation, some adjustments might be considered to broaden congressional participation.

(1) *Referral of Tax Legislation to the International Relations and Foreign Relations Committees.* Some of the advantages of committee realignment might be achieved by the referral of tax legislation (as well as related matters such as trade measures) to the House International Relations or Senate Foreign Relations Committee either at the same time it is sent to the tax committee or after that committee has reported. Referral would be limited to an assessment of the foreign policy impact of the tax measure. Furthermore, referral would be under a time limit to assure that the legislative process is not unduly delayed by the involvement of a second committee.

Although joint referral might be desirable for all legislation impacting on foreign policy, the claim is stronger in the case of tax legislation because without such referral no substantive committee would be able to review the measure.

(2) *Prior authorization of tax legislation.* Another way to bring the substantive committees into the picture would be to establish a two-step procedure similar to that required for spending legislation. First, Congress would authorize a tax measure; then it would enact implementing legislation. In terms of maximizing the involvement of the foreign affairs committees, this might be the optimal alternative, but it would introduce into the tax field many of the complications and encumbrances long associated with the spending side of the budget. While the ability of Congress to consider foreign policy impacts might be enhanced, "Christmas tree" pressures on tax legislation surely would escalate and the ability of Congress to consider individual proposals in relation to overall tax policy would be diminished.

(3) *Consideration of tax expenditures in conjunction with direct expenditures.* In many instances, tax and direct expenditures are substitutes (or complements) for one another. For example, Congress can bolster the maritime industry by providing cash subsidies to fleet operators or by reducing their tax obligations. The term "tax expenditures" was devised to accent their kinship to direct expenditures. One of the reasons why the Congressional Budget Act requires the reporting of tax expenditures by major function is to facilitate their comparison with regular expenditures.

In view of the economic connection between these two types of expenditure, it would be appropriate for Congress to consider them together before it makes tax or spending decisions. However, neither the appropriations nor the tax process is suitable for this end because each is fixed exclu-

sively on its particular side of the budget. One way around this problem would be to utilize the new congressional budget process which encompasses all facets of the Federal budget. Although tax expenditures would not be included in the budget resolution adopted by Congress, they would be listed in Budget Committee reports accompanying the resolution. An alternative approach would be to assign this task to the authorizing committees, possibly in a manner that links it to the congressional budget process.

IV. THE AUTHORIZATIONS PROCESS

The rules of the House and Senate provide that a program must be authorized in law before funds can be appropriated for it. The main purposes are to assure that consideration of programmatic matters is not submerged by attention to financial details and that the Appropriations Committees do not gobble up too much power.

Until after World War II, most Federal programs operated under permanent authorization, without limit of time or money. But since then there has been a steady trend to annual or short-term authorizations. The shift to annual authorizations is most pronounced in foreign affairs and related programs. Except for a few years, foreign assistance has been annually authorized since its inception. Most atomic energy spending was placed under annual authorization in 1954; NASA was accorded this status in 1959; military procurement, research, development, testing and evaluation in 1959; the Coast Guard in 1964; the Peace Corps in 1961; and the Maritime Administration in 1968. The Foreign Assistance Act of 1971 placed the State Department and the U.S.I.A. on annual authorizations.

The State Department is the only Cabinet agency subject to this procedure. In converting to annual authorizations, Congress has been primarily motivated by a desire to improve its oversight and control of executive actions. Judging from congressional use of its authorization leverage in foreign affairs, this objective has been achieved. Congress in recent years has written numerous specific limitations into authorizing legislation and its floor consideration of authorizations has been the main legislative forum for discussion of national security and foreign policy.

But one of the costs of annual authorizations is delay in the enactment of appropriations. In only one of the past 20 years has Congress cleared the foreign assistance appropriation prior to the start of the fiscal year. In the average year, this appropriation has been enacted approximately four months after the start of the fiscal year.

Moreover, the problem appears to be getting worse, and delays of 6-8 months have become common. One of the causes has been conflict over foreign policy between the legislative and the executive branches. Thus the failure to enact Foreign Assistance appropriations for fiscal 1973 (the programs were funded under continuing resolutions for the full year) was due to sustained strife over Indochina policy. Yet the evidence strongly points to authorization delays as a leading factor in holding up appropriations. Normally, the appropriation bill is cleared within a few weeks after the authorization has been enacted.

V. AN ALTERNATIVE TO ANNUAL AUTHORIZATION

It is unlikely that Congress would accede to any modification in authorization procedures which substantially diminishes its ability to control current foreign policy. Nevertheless, the new congressional budget process might have such an effect. Beginning this year, the President is required to submit proposals for authorizing legislation more than 16 months in advance of the fiscal year to which it will apply. By May 15, 1975, the President is to present Congress with draft authorizing legislation for the fiscal year beginning on October 1, 1976. Moreover, the new congressional timetable calls for completion of committee action on such legislation by May 15, 1976. In view of these changes, Congress might consider going to a biennial authorization cycle for foreign affairs programs. One advantage would be to provide much more opportunity for in-depth oversight by legislative committees. The one-year cycle affords an annual instrument for restricting executive actions, but it allows almost no time for a careful review of foreign policy.

One can argue that stability and advance notification are as necessary for international relations as they are for intergovernmental relations. Most Federal grant programs for states and localities operate on a 3-5 year authorization cycle; some have advance appropriations so that a recipient government has prior notice of the assistance that will be forthcoming. I believe that it is possible to establish a multiyear authorization schedule for international programs without depriving Congress of its control options. This might be done by providing that each year's authorization shall become effective only to the extent provided in subsequent "triggering" legislation. Congress could thus address the broad, long-term foreign policy issues in its authorizations while applying desired controls at the triggering

stage. Alternatively, the controls might be written into the foreign assistance appropriation (as many now are), but this would entail a transfer of effective jurisdiction from the authorizing to the appropriating committees.

A variation on the last alternative is to provide "general" controls in authorization measures and to write more specific restrictions into appropriations. In the past few years, Congress has successfully devised a number of general procedures for regulating administrative action. Measures such as the War Powers Act might obviate the need for more specific controls, and it is likely that Congress will develop similar broad rules for other executive-legislative matters such as executive agreements and the use of information. With a more balanced relationship between the two branches, Congress should have more confidence in the efficacy of general controls, and it will then be in a position to utilize the authorizations process for oversight and policymaking purposes.

Comprehensive authorizing legislation. A related issue is whether Congress should strive for a single authorizing bill covering all foreign affairs programs in lieu of the variety of measures now considered. The expectation is that a comprehensive approach would encourage Congress to broaden its perspective and focus on the relationships among the many international programs. Several factors weigh against a shift to an omnibus bill. First, most major components already are in the foreign assistance authorization and several which are not covered by it are not likely to be incorporated because they also relate to other functions. Second, programs brought into the comprehensive bill would be subjected to the prolonged delays which now afflict the main bill. Third, without a change in the atmosphere which governs consideration of international legislation, the prospects are that Congress will continue to fix its attention on the particulars so that little change in perspective would be forthcoming.

Adoption of an omnibus approach would be more attractive if Congress were to shift to either multiyear or advance authorizations. If either were done, Congress could give more sustained attention to policy matters.

VI. THE APPROPRIATIONS PROCESS

On the surface, the appropriations process appears to be little changed from what it has been for many years. There is a separate bill—and there are separate subcommittees—for foreign assistance, as there are for a dozen other organizational areas. The Foreign assistance bill follows a traditional

route: from House subcommittee to full Committee to House to Senate Subcommittee to Senate to conference to House and Senate to President.

Though the structure has remained intact, the way in which it is used has changed significantly. The advent of annual authorizations has reduced the time available for Appropriations Committee consideration and made the authorizing legislation the main policy vehicle. The basic shape of foreign assistance is determined at the authorizations stage. With the introduction of a new congressional budget phase; with early financial determinations for each function, there will be a further shift away from appropriations. Moreover, some significant financial decisions for foreign policy are made through backdoor and off-budget arrangements—for example, loan guarantee programs—and though some of these might be curbed by the new Congressional Budget Act, they will continue to be influential in foreign policy.

Floor consideration also has been modified with more frequent challenges to the Appropriations Committees' recommendations. Not only are amendments more frequent, they now stand a better chance of adoption. Floor amendments have been a favored method for adding restrictions to foreign affairs programs.

These trends are not limited to the foreign assistance bill but they appear to be more pronounced for international programs than for other appropriations. As already noted, annual authorizations are more extensively used here than for other areas. The lateness of the foreign assistance bill inhibits the ability of the Appropriations subcommittees to undertake a comprehensive examination of foreign policy. In terms of percentage and frequency, the foreign assistance appropriation is more likely to be reduced below the President's budget than any other appropriation. There also is a much greater likelihood that procedural or substantive restrictions will be written into international-related appropriations.

The various developments suggest that it might be appropriate to examine the relationship between the three methods Congress uses to make spending decisions for foreign policy. Ideally, each of the stages would have a unique purpose, sufficiently differentiated from the other two to justify its separateness. Thus:

Budgeting would be the opportunity for determining foreign policy priorities in the light of national economic conditions and competing priorities.

Authorizing would enable Congress to oversee foreign policy in a comprehensive and systematic manner, and to relate the major policy components to one another.

Appropriating would enable Congress to make specific money decisions and to limit the use of expenditures.

The distinctions between authorizations and appropriations appear to be diminishing. At both stages, Congress formulates restrictions on fund use and executive actions. There is not much difference between the two with regard to the amounts cut from the President's budget. Both recur annually, tend to be transacted long after the fiscal year has started, and focus on current rather than future policy. The authorizing committees have a broader perspective, but this derives from their overall foreign policy responsibilities, rather than from their actions on money issues. When the International Relations or (more likely) the Foreign Relations Committee, launches a major study of U. S. position in the world, it tends to be in a context far removed from budget issues. When they tackle the budget, the two committees tend to fix their interest on short-term matters.

With establishment of a congressional budget process, the time might be appropriate for a re-examination of the conventional division of labor between authorizations and appropriations. A radical possibility would be to combine these two functions into what Schultze and Rivlin have termed program committees. In view of the narrowing of the differences between the two functions in foreign policy, this area would seem to be a logical testing ground for such a shift. But it is highly improbable that Congress would move in this direction in the near future, or that it would except foreign policy from its standard authorizations-appropriations procedures.

If authorizations were moved to a biennial or multiyear cycle, there would be more play for the appropriations process. The logical distinctions between budgeting, authorizing, and appropriating could be restored. Appropriations could come to mean more than a second crack at the matters considered in the authorizing legislation.